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LEGISLATIVE HISTORY

Public Law 329--79th Congress

Chapter 107--2d Session

H. R. 5458

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Digest of Public Law 329

URGENT DEFICIENCY APPROPRIATION ACT, 1946. Includes a \$100,000,000 increase in PEA borrowing power and appropriations for OPA and CPA.

Index and Summary of History on H. R. 5458

February 6, 1946	Hearings: House, H. R. 5458.
February 12, 1946	H. R. 5458 reported by House Appropriations Committee. House Report 1556. Print of the bill as reported.
February 14, 1946	H. R. 5458 debated in House and passed with amendments.
February 15, 1946	Referred to Senate Appropriations Committee. Print of the bill as referred.
February 17, 1946	Hearings: Senate, H. R. 5458.
February 25, 1946	Senate Committee reported H. R. 5458 with amendments. Senate Report 990. Print of the bill as reported.
February 26, 1946	Discussed in the Senate and made unfinished business.
February 27, 1946	Senate debate began.
March 1, 1946	Senate debate concluded and passed Senate with amendments. Senate Conferees appointed. Print of the bill with the amendments of the Senate numbered.
March 8, 1946	House Conferees appointed.
March 12, 1946	House received Conference Report. House Report 1699.
March 13, 1946	House agreed to Conference Report.
March 19, 1946	Senate agreed to Conference Report.
March 22, 1946	Approved. Public Law 329.

"The two classes of material which should be controlled are printed documents and mimeographed or duplicated matter.

"Printing, other than for the armed services, is now very closely restricted through appropriation limitations, but there is no direct control at the source over mimeographing, multilithing, and other types of duplicating which probably are the greatest producers of penalty-mail material. It might be that better results would ensue from rigid regulation of output of all matter intended for the mails, however produced, than the control procedures now in operation.

"The costs of mimeographing, etc., are now paid out of appropriations for salaries and expenses, and involve expenditures for personal services, supplies, and equipment both in Washington and in field establishments. On account of the diversity of types of expenditures involved, appropriation limitations are not as readily applied to such items as to printing and binding, but the committee believes that budgetary restrictions can be imposed which will effectively control the quantity of such matter and automatically keep from the mails unnecessary material, and has requested the Bureau of the Budget to make a thorough study of the situation and to make recommendations as to steps which might be taken to achieve the real intent of the penalty-mail law."

3. URGENT-DEFICIENCY APPROPRIATION BILL. The Appropriations Committee reported this bill, H.R. 5458 (H.Rept. 1556), which contains funds for OPA, ODT, and CPA (pp. 1269, 1278).
4. WILDLIFE CONSERVATION. The Agriculture Committee reported without amendment H.R. 4362, to abolish the Parker River National Wildlife Refuge in Essex County, Mass., and to authorize restoration to the former owners of the land comprising such refuge (H.Rept. 1555) (p. 1278).
5. PUBLIC LANDS. The Public Lands Committee reported without amendment H.R. 2593, relating to the administrative jurisdiction of certain public lands in Oreg. (H.Rept. 1564) (p. 1278).
6. FLOUR PRODUCTION. Rep. Vursell, Ill., urged careful consideration of the present wheat and flour situation and its effect on flour production and included two milling companies' letters on the subject (p. 1266).
7. FLOOD CONTROL. Rep. Stewart, Okla., criticized proposed flood-control dams on the Kiamichi and Boggy Rivers as detrimental to farm lands, and included a Southeastern Oklahoman editorial on the subject (pp. 1261-2).
8. HOUSING. Rep. Patman, Tex., spoke supporting housing prices as provided for in his new housing bill (H.R. 4761) (p. 1264). Agreed to his request to file additional views on this bill (p. 1268).
9. CENTRAL VALLEY PROJECT. Rep. Miller, Calif., urged publicly-owned transmission lines for this project (pp. 1269-71).
10. COLUMBIA RIVER PROJECT. Rep. Horan, Wash., commended accomplishments under this and the Bonneville Power projects and included a summary of pay-out schedules (pp. 1275-8).
11. APPROPRIATIONS. Received from the President 1946 supplemental appropriation estimates of \$28,000 for the Budget Bureau (H. Doc. 463) (p. 1278).

SENATE

NOT IN SESSION. Next meeting Wed., Feb. 13.

BILLS INTRODUCED

12. HOUSING; VETERANS. H.R. 5455, by Rep. Lanham, Tex., to amend Sec. 502 of "An act to expedite the provision of housing in connection with national defense, and for other purposes", so as to authorize the appropriation of funds necessary to provide an additional 100,000 temporary housing units for distressed families of servicemen and for veterans and their families. To Public Buildings and Grounds Committee. (p. 1279.)
13. FOREIGN RELIEF. H. Con. Res. 127, by Rep. Smith, Wis., expressing the sense of Congress with respect to the relief of distress in foreign countries. To Foreign Affairs Committee. (p. 1279.)

ITEMS IN APPENDIX

14. WHEAT SITUATION. Rep. Carlson, Kans., inserted a National Federation of Grain Cooperatives letter criticizing the wheat and food situation (pp. A712-3).
15. PRICE CONTROLS. Rep. Buffett, Nebr., inserted his correspondence with Chester Bowles, in which Rep. Buffett favored liquidation of OPA and Mr. Bowles favored continuation of price controls until production permits lifting them without inflation (pp. A722-3).
16. FLOOD CONTROL. Rep. Brooks, La., inserted his address explaining the Red River Valley (La.) flood-control plan (pp. A725-6).
17. ST. LAWRENCE SEAWAY. Rep. White, Idaho, inserted a Brotherhood of Locomotive Firemen and Enginemen's resolution opposing this project and his reply questioning the provisions of the resolution (pp. A720-1).
18. HOUSING. Rep. Davis, Tenn., inserted a U.S. Conference of Mayors resolution favoring legislation to improve the housing situation, continuation of rent control, and hospital-aid legislation (p. A721).

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COMMITTEE-HEARINGS ANNOUNCEMENTS for Feb. 13: S. Interstate Commerce, freight-forwarding bill (ex.); S. Atomic Energy; H. Appropriations, Agriculture, deficiency (ex.); H. Agriculture, conservation of wildlife, fish, and game.

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For supplemental information and copies of legislative material referred to call Ext. 4654, or send to Room 113 Adm. Arrangements may be made to be kept advised, routinely, of developments on any particular bill.

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RESCISSION OF APPROPRIATIONS

The SPEAKER. The Chair recognizes the gentleman from Missouri [Mr. CANNON.]

Mr. CANNON of Missouri. Mr. Speaker, by direction of the Committee on Appropriations, I call up from the Speaker's table the bill H. R. 5158, an act reducing certain appropriations and contract authorizations available for the fiscal year 1946, and for other purposes, with a Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 39, line 4, strike out "January 3" and insert "February 28."

Mr. CANNON of Missouri. Mr. Speaker, as will be noted, the Senate amendment relates to a minor matter in that it merely changes a date in the bill, a change made necessary by the passage of time.

The date amended pertains to a provision which originated in the Senate, and deals with an amendment under which the Secretary of War and the Secretary of the Navy were, on or before January 3, 1946, directed to submit to the Congress a joint recommendation for revision of the Pay and Adjustment Act of 1942. In view of the fact that the date, January 3, has passed, the Senate proposes to amend the date by making it February 28. This is the only change, Mr. Speaker, and I desire to move to agree in the Senate amendment.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from New York.

Mr. TABER. Mr. Speaker, I can see no objection to this amendment to this bill, which we passed a couple of weeks ago.

The SPEAKER. Without objection, the Senate amendment is agreed to.

There was no objection.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. CANNON of Missouri. I ask unanimous consent to extend my remarks in the RECORD by inserting an editorial written by Mr. Kenneth Romney, Sergeant at Arms of the House, 2 or 3 years ago, and applicable to present conditions.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD and include a radio speech by Governor Tobin, of Massachusetts.

Mr. SMITH of Ohio asked and was given permission to revise and extend the remarks he made earlier today.

Mr. CLASON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MANSFIELD of Texas asked and was given permission to extend his re-

marks in the RECORD and include an article on the subject of stream pollution, which appeared in a recent issue of the Reader's Digest.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order on tomorrow, Calendar Wednesday, of this week, may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

GENERAL KOSCIUSKO

Mrs. DOUGLAS of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Mrs. DOUGLAS of Illinois. Mr. Speaker, it is fitting today that General Kosciusko's name should be linked with that of Abraham Lincoln. These truly noble men, whose anniversaries lie so closely together, have more in common than is generally realized.

While everyone knows that General Kosciusko fought for freedom in both his native Poland and in America, the fact that he was a true liberal is not so clearly understood. General Kosciusko tried to abolish serfdom in Poland, to extend popular education, to provide fair opportunities for the common man. He was over- come in life in his struggle, but he died still fighting for these causes. In fact, on his death he freed his serfs, and left money for a school to educate them. He also left his mark on democracy in America, because the lands which a grateful country had given him in Ohio he had sold to establish the first school in America for Negroes. This showed his passionate belief in the worth and dignity of all mankind.

ABRAHAM LINCOLN

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, a number of Members have made reference to one of the greatest Americans of all time, Abraham Lincoln, and also to Thaddeus Kosciusko. All of their remarks are appropriate on this occasion. In connection with Gen. Thaddeus Kosciusko I shall include in the RECORD some remarks of my own.

At this time I want to make a few observations about Abraham Lincoln. Everything said about the great emancipator and preserver of our country is correct; but there is one outstanding impression that is indelibly engraved upon the minds of all persons and that is, that it was under the leadership of Abraham Lincoln that the Union was preserved. Without regard to where one's ancestors were in that conflict, whether on the side of the North or the South, both having

fought sincerely for a principle, we are all glad we have one united Nation today.

The significant contribution of Lincoln was that he saved our country because if the outcome of that War Between the States had not been as it was, we would not only have lost the war but we would have lost our country as well.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

EXTENSION OF REMARKS

Mr. BROOKS asked and was given permission to extend his remarks in the RECORD and include a speech he made before a four-State conference on flood control and navigation at Shreveport, La.

Mr. WOODRUFF asked and was given permission to extend his remarks in the Appendix of the RECORD.

DEFICIENCY APPROPRIATIONS

Mr. CANNON of Missouri, from the Committee on Appropriations reported the bill (H. R. 5458) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes (Rept. No. 1556), which was read a first and second time, and with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. TABER reserved all points of order on the bill.

SPECIAL ORDERS

The SPEAKER. Under previous order of the House the gentleman from California [Mr. MILLER] is recognized for 20 minutes.

(Mr. MILLER of California asked and was given permission to revise and extend his remarks.)

THE CENTRAL VALLEY PROJECT MUST HAVE PUBLICLY OWNED TRANSMISSION LINES

Mr. MILLER of California. Mr. Speaker, I beg leave of the House to speak today of my district and the large area surrounding my district as a "depressed area," which, in fact, it is from the standpoint of the Pacific coast hydroelectric power situation. In relation to the industrial West, which is coming into being, my area will surely assume other familiar attributes of the "depressed area" if the power situation there is to remain as it is today. For that reason and for the significance of this accumulating depression to the rest of the Nation, I wish today to make a few remarks about the power situation in the great Central Valley of California.

The Congress is facing a decision on a matter so basically simple that one can only marvel at the welter of figures, claims, and counterclaims which has been raised to assist you gentlemen in deciding.

To the north of the Central Valley of California, which is my area, and to the south of the Central Valley, the Pacific coast is a region of federally generated, federally supplied, and publicly distributed low-cost hydroelectric power. But between these two great regions, between

the Pacific Northwest and southern California, lies the Central Valley and the San Francisco Bay region of California, where the high rates, the low per capita use, and the throttling of industrialization by the private-power monopoly still prevail.

This fact is a mockery of the action of this Congress in providing funds for the construction of the great Shasta Dam and its Keswick afterbay, which shortly will be generating to their full capacity of 450,000 kilowatts of hydroelectric power. It is a mockery of the prescriptive legislation for distribution of that Federal power under which such funds were voted by the Congress and which stipulate that public agencies benefit from the development. It is further a mockery of the excellent 15-year program for the development of multiple-purpose dams in the Central Valley outlined by the Bureau of Reclamation, which will make 915,000 kilowatts of power capacity available to this area by 1960.

We have, you see, the basis in resources for a large development; we have begun the development. But we must remain a shrunken pocket of private monopoly along the expanding Pacific coast until this publicly generated electricity is made available to the public on public transmission lines.

Three major transmission lines at least are going to have to be constructed down the Sacramento Valley—two down the west side, one down the east. Additional lower-voltage lines are needed. The simple question is: Who will build them? To me, and to the public-minded people of my area, the answer is just as simple. The Government must build them. To the Pacific Gas & Electric Co. the answer is also simple. That company has already begun to construct one of these west-side lines.

The Congress in December of 1945 voted funds for the east-side line to be built by the Bureau of Reclamation. The other two must be constructed by that same agency; they quite simply must be a project of the Bureau of Reclamation, or my district and the whole area of which my district is a part must remain the "depressed area" of the Pacific coast with respect to power rates and usage and a region of lost opportunity to the Nation.

We have mineral resources the Nation needs. We have taken in—but not yet assimilated—a great number of the workmen who left the Dakotas, Nebraska, Montana, and the others, and shifted to the Coast's war plants. It is apparent that many of them wish to stay; and we should all be concerned that they stay not as a liability upon society but as gainfully employed members of a productive society. We have the resources, we have the manpower. We lack the third element—the industry which can put these two to work, for the Nation's benefit. The industry goes to the north of us; it goes to the south. The industry which goes west, gentleman, goes to the west of low-cost power. It divides before us—to the north, to the south. We remain in our high-powered isolation.

The private utility company which serves us makes capital of the fact that our electric rates are less than the national average. But, gentlemen, is it fair to compare our rates with those of the coal-burning Middle West and East? Really low-cost power is one prime advantage our West, with its torrential rivers, should be able to offer as an inducement to industry. And I would point out that in this it offers little real competition to eastern and midwestern industry. Coal-burning industries will remain here, where they settled; we have no coal. But the new metallurgy and the new chemistry will inevitably move to the electrical West. What I am saying to you is that the Nation will lose the development of our northern California resources if the plants fail to locate there because to do so were economically infeasible.

As I say, the P. G. & E. has again and again stated that its territory is blessed with low power rates. I should like to explode that assertion once and for all. The fact, is power under the P. G. & E. is neither cheap nor abundant in northern California. According to reports of the Edison Electric Institute, the California residential electric consumption in 1944 averaged 1,153 kilowatt-hours at a cost of 3.07 cents per kilowatt-hour. This compares to an average residential consumption in the State of Washington of 2,530 kilowatt-hours at 1.68 cents and in the State of Oregon to 2,378 kilowatt-hours at 1.86 cents.

In the Pacific Northwest, meanwhile, new plants are under study for production of cellulose and rayon products, chemicals, plastics, phosphates, and electric metallurgical products, while war-time plants which plan to continue operations include five aluminum pig plants, one aluminum rolling mill, three shipyards, three carbide and alloy plants, three chemical plants, one manganese operation, and one metallurgic company.

But the rich hills which surround our Central Valley will hold their ores for lack of a hand to move them, and our chemical processing must be shipped out—unless we can establish the kind of western economy which is building an asset to the Nation in the Northwest.

The importance of a sound power-marketing program to California and the need for a full understanding of it are apparent in the light of these present-day events. Of major significance is the tremendous increase in California's population, from approximately 6,900,000 in 1940 to an estimated 9,000,000 in 1945, and an estimated increase to 12,000,000 by 1960. Certainly these population figures alone must bring home the fact that realism must govern thinking as to the part the marketing of power will play in attaining the full development of our water resources to meet the critical conditions ahead.

Marketing of power developed by the Federal Government in a manner most beneficial to the people, the community, and the State has involved serious clashes of philosophies. For the mandates of the Congress it is only necessary to quote the pronouncement contained in the Flood Control Act of 1944. This provides that surplus power generated at reservoir

projects shall be disposed of by the Secretary of the Interior "in such a manner as to encourage the most widespread use at the lowest possible rates to consumers consistent with sound business principles."

Low-cost power for the Central Valley will beget, as it has for the Pacific Northwest, high consumption and increased power revenues. It will provide a maximum of financial assistance toward low-cost irrigation in this area where two-thirds of the irrigation is by pumping water from underground. The opposing philosophy of high prices and low consumption is a threat to the development of the Central Valley project. Equally threatening is the argument that the marketing field has been preempted and none should trespass. The Bureau of Reclamation's right to sell Central Valley project power has been determined by the Congress. Both private utilities and public agencies may buy this power with preference to the latter. Implication that any private utility company cannot continue to buy and resell Federal power because the transmission lines are Government-owned is not correct.

The Bureau of Reclamation takes the position that the project requires large quantities of power to operate the irrigation pumps and that transmission lines from the power plants at Shasta and Keswick to the pumping plants near Tracy are an indispensable part of the project and should be built and operated by the Government. Once these lines are provided, the surplus power which is available on them should be delivered at wholesale to the project's legal market which is municipalities, public bodies, co-operatives, and privately owned power companies, with preference in the right to purchase in the order named but without special preference as to price. This is the only practical method of complying with the preferences which the Congress has given, since the Pacific Gas & Electric Co., which owns all existing transmission lines and desires to build all such facilities in the future, will not agree to the use of its lines by the Government for this purpose at a reasonable cost. The existing transmission plant of the company is loaded practically to capacity now so that the construction of the proposed Government system, which is dependent upon the growth of power use in the territory for most of its load, will not be a duplication except to the extent to which present customers of the company may transfer their existing loads to the Government.

The Government should not be in the position of having but one customer for its power nor dependent entirely upon the provisions of one contract and the good will of that one customer. The Government should dispose of its power to numerous customers, including the company, with such individual contract provisions as would be most appropriate to protect the interests of the Government and satisfy the requirements of each of these customers. In other words, the Government should have the advantage of a diversified market.

The Congress has voted funds to construct one 230-kilovolt line down the Sacramento Valley. This line will fur-

system, built and operated by the Bonneville Power Administration.

These tests are all made under the applicable laws applying to each project for which the administration bears financial responsibility.

The basic figures used in this test report are taken from the allocation cost from the Bonneville Dam project as determined by the Federal Power Commission, in compliance with the act of August 20, 1937. The allocation of costs for the Columbia Basin project has already been presented to Congress as House Document No. 172, Seventy-ninth Congress, first session. The audit which I have previously covered also is the starting point for investment and cost used in the preparation of the schedules.

Revenues from the sale of Grand Coulee and Bonneville power by the Power Administration are required under existing law in the regulations to repay, first, the estimated completed cost of the power component of the Bonneville Dam; second, all of the cost of the Bonneville-Grand Coulee transmission system, representing a current investment of \$82,000,000 and an estimated completed investment that by the end of the repayment period of \$168,000,000; and, third, the \$382,000,000 of the \$506,000,000 estimated ultimate cost of the Columbia Basin project. The Columbia Basin project amount includes \$382,000,000 for irrigation costs to be repaid from power revenues and \$35,000,000 for river regulation benefits to be secured from future downstream hydroelectric plants. The over-all project assumes these downstream benefits until such time as future projects can pick up these costs. Anyone who desires a quick and comprehensive estimate of the situation can secure all the necessary detailed information from table No. 1 of the pay-out test. This table shows that power revenues during the repayment period will amount on a conservative basis to \$1,800,000,000. This table shows that the power revenues over the entire repayment period will provide 93 percent of the total funds required to repay all reimbursable, constructive, and operating cost, including interest, depreciation, and, in addition, will provide a surplus over all costs to the amount of \$160,000,000.

The pay-out study also shows that the present \$17.50 wholesale rate will cover all cost with interest within the 50-year period from the date that such construction costs are incurred. It will be noted from these tables that the allocated costs to other purposes are a very small portion of the total and are far less than the surplus of \$160,000,000. Power revenues are assuming irrigation costs to the extent of \$228,000,000, which is, in fact, a contribution to the Federal Treasury in lieu of taxes. The Administrator has asserted the comment on the pay-out test that full consideration has been given to the cut-backs of war loads to the extent of the actual cut-backs of 500,000 kilowatts during the latter part of 1945.

Columbia River Basin development (Bonneville Power Administration, Bonneville Dam project, and Columbia Basin project)—Summary of pay-out schedules

	Reference		Detail	Subtotal	Total
	Schedule	Column			
1. Power sales revenue of Bonneville Power Administration. ¹	A-1	2			\$1,863,223,270
2. Bonneville Dam project, per schedule B-1:					
3. Operating and maintenance expenses.	B-1	5	\$29,064,256		
4. Interest.	B-1	6	44,584,769		
5. Replacements.	B-1	9	28,261,677		
6. Initial construction costs allocated to power.	B-1	8	58,708,309		
7. Subtotal for Bonneville Dam.	B-1	4		\$160,619,011	
8. Columbia Basin project, per schedules C-1 and C-2:					
9. Operation and maintenance expenses:					
10. Commercial power.	C-2	5	\$141,738,175		
11. Irrigation pumping power.	C-2	19	10,190,476		
Total.	C-1	12	151,928,651		
12. Replacements:					
13. Commercial power.	C-2	11	68,057,588		
14. Irrigation pumping power.	C-2	20	4,862,412		
Total.	C-1	13	72,920,000		
15. Construction costs, multipurpose allocation to—					
16. Commercial power.	C-2	9	46,844,665		
17. River regulation.	C-2	23	35,519,577		
18. Irrigation.	C-2	24	64,714,758		
Total.			² 147,079,000		
19. Construction costs, power plant allocation to—					
20. Commercial power.	C-2	10	71,778,150		
21. Irrigation pumping.	C-2	25	5,819,850		
Total.			77,598,000		
22. Construction costs, irrigation works.	C-2	26	280,782,180		
23. Total construction costs (lines 18+21+22).	C-1	14	² 505,459,180		
24. Surplus of payments over requirements included in schedules C-1 and C-2.	C-2	29	3,187,372		
25. Earmarking of 3-percent interest on construction costs allocated to power.	C-2	6	65,850,977		
26. Gross requirements, Columbia Basin project (lines 11+14+23+24+25).			799,346,180		
Deduct:					
27. Miscellaneous income of Columbia Basin project.	C-1	9	744,990		
28. Payments by water users for pumping power.	C-1	6	50,500,000		
29. Payments by water users for irrigation works.	C-1	5	87,465,000		
30. Net amount to be applied for the account of the Columbia Basin project from the commercial power revenues of Bonneville Power Administration.	C-1	2		660,636,190	
31. Bonneville Power Administration, per schedule A-1:					
32. Operation and maintenance expenses and miscellaneous items.	A-1	5	306,341,153		
33. Cost of power purchased from non-Federal sources.	A-1	6	1,604,231		
34. Interest expense.	A-1	9	108,013,200		
35. Replacements during over-all repayment period.	A-1	14	237,046,800		
36. Initial construction costs and additions.	A-1	13	168,332,747		
37. Subtotal for Bonneville Power Administration.				881,338,131	
38. Total repayments from Bonneville Power Administration power revenues for all 3 projects.					1,702,593,332
39. Surplus power revenues (simple surplus exclusive of interest accumulation).	A-1	12, 21			160,629,947

¹ Covers the total repayment period of approximately 50 years.

² Exclusive of \$1,000,000 nonreimbursable allocation to navigation.

REVENUES

The revenue estimate included in the pay-out schedules, shows a conservative approach. The total revenues for the fiscal year 1945 was, in round numbers, \$23,000,000. It was estimated that in 1946 it would drop to \$20,500,000, and in 1948 to \$14,000,000, and then will advance until a level of \$25,500,000 annually is reached.

I am in position from my own information to state that the load estimates are conservative. Two of the largest war power consuming units on the power system are located in my district. The Kaiser-Frazer Automobile Co. has now placed a bid with the Reconstruction Finance Corporation to take over these projects and if the bid is accepted in the next 2 weeks, the RFC power revenues not included in the pay-out test will accrue to the extent of around \$3,000,000 per year.

There is another plan which for security reasons I cannot detail, that which is shown in the pay-out test on the cut-back basis. The information I have leads me to believe that this security load will continue on a revenue basis in excess of what is shown in the pay-out test.

The separation of the Federal investment in these projects by purposes can be found on page 17 of the pay-out test.

WAR CONTRIBUTION

All of the power generating units in these cited projects were continuously at an overload during the war period to provide the tools of victory, such as the basic atomic-bomb metal, plutonium, nearly 40 percent of the light metals for the air program and its substantial part of the war, shipping, and ordnance program.

It will be noticed on examination of the pay-out test that no deduction has been made in any of the cost because of war contributions.

CONCLUSION

I feel that through my efforts I have provided the instrumentalities which will demonstrate to this House the full repayment capability of all the Columbia River projects presently constructed. In presenting this information, I am doing so with the earnest hope that every known test would be applied to these exhibits in order that the complete financial stability can be assured.

I wish at this time to compliment the Subcommittee on Interior Appropriations. They are having their hearings now, and I know of no other committee in the whole House of Representatives that is working harder.

This pay-out study which I have just outlined is one of the special jobs they have to consider and understand so that they will know any Budget recommendations for the further development of the Columbia River are based on a sound fiscal policy.

I wish to inform the House that without exception this subcommittee has been most gracious and most generous in granting all the available spare time they have in an attempt to go over these studies and to understand them in every phase. It is this type of hard work, often unheralded and unsung, that makes the work of the entire Congress of true and lasting benefit to the whole

Nation. Their labors reflect credit on all.

The Columbia River will be developed. It is a national asset, and the national interest demands it. It must be done on a sound and fiscal foundation. I feel that credit at this time should go to the Secretary of the Interior and those in his Department who have contributed to this big job. My colleagues from the Pacific Northwest have also shown their interest in this pay-out study, and I am hopeful that we have cleared a barrier and pointed a way for a sound development of one of the last great remaining frontiers of this Nation—last, but in many ways the greatest.

(Mr. HORAN asked and was given permission to revise and extend his remarks.)

ENROLLED JOINT RESOLUTION SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 316. Joint resolution making an additional appropriation for the fiscal year 1946 for readjustment benefits, Veterans' Administration.

ADJOURNMENT

Mr. HAVENNER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 37 minutes p. m.) the House adjourned until tomorrow, Wednesday, February 13, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

(Wednesday, February 13, 1946)

There will be a meeting of the Committee on Expenditures in the Executive Departments at 10 a. m. on Wednesday, February 13, 1946, in room 304-A Old House Office Building on Wednesday, February 13, 1946, on H. R. 4586, a bill to authorize certain administrative expenditures in government services and for other purposes.

(Thursday, February 14, 1946)

There will be a meeting of the Committee on Expenditures in the Executive Departments at 10 a. m. on Thursday, February 14, 1946, to consider the disposition of surplus property, in room 304-A Old House Office Building.

SECURITIES SUBCOMMITTEE OF THE COMMITTEE ON INTERSTATE COMMERCE

(Thursday, February 14, 1946)

There will be a meeting of the Securities Subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Thursday, February 14, 1946, also 2:00 p. m.

Business to be considered: Résumé hearings in its study of operations pursuant to the Public Utility Holding Company Act of 1935.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1055. A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to the Procurement Division, Treasury Department (H. Doc. No. 462); to the Committee on Appropriations and ordered to be printed.

1056. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1946 in the amount of \$28,000 for the Bureau of the Budget (H. Doc. No. 463); to the Committee on Appropriations and ordered to be printed.

1057. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1946 in the amount of \$1,000,000, together with drafts of proposed provisions pertaining to existing appropriations, for the Veterans' Administration (H. Doc. No. 464); to the Committee on Appropriations and ordered to be printed.

1058. A letter from the Secretary of State, transmitting a draft of a proposed bill to provide basic authority for the performance of certain functions and activities of the Department of State; to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LUDLOW: Committee on Appropriations. H. R. 5452. A bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1947, and for other purposes; with amendments (Rept. No. 1554). Referred to the Committee of the Whole House on the State of the Union.

Mr. FLANNAGAN: Committee on Agriculture. H. R. 4362. A bill to abolish the Parker River National Wildlife Refuge in Essex County, Mass., to authorize and direct the restoration to the former owners of the land comprising such refuge, and for other purposes; without amendment (Rept. No. 1555). Referred to the Committee of the Whole House on the State of the Union.

Mr. CANNON of Missouri: Committee on Appropriations. H. R. 5458. A bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes; without amendment (Rept. No. 1556). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 1557. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. STOCKMAN: Committee on the Public Lands. H. R. 2593. A bill relating to the administrative jurisdiction of certain public lands in the State of Oregon; without amendment (Rept. No. 1564). Referred to the Committee of the Whole House on the State of the Union.

Mr. SABATH: Committee on Rules. House Resolution 521. Resolution waiving points of order against language under the heading "Bureau of the Mint" in title I of H. R. 5452; without amendment (Rept. No. 1565). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MORRISON: Committee on Claims. S. 543. An act for the relief of Felix Frederickson; without amendment (Rept. No. 1558).

URGENT DEFICIENCY APPROPRIATION BILL, 1946

FEBRUARY 12, 1946.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. CANNON of Missouri, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 5458]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

The estimates of appropriations upon which the bill is based are contained in House Documents Nos. 443, 444, and 447.

The agencies and objects involved are as follows:

	Estimate	Bill
Legislative: Payment to widow of deceased Member		\$10, 000
Civilian Production Administration: Salaries and expenses, 1946	\$1, 700, 000	1, 500, 000
Office of Defense Transportation: Salaries and expenses, 1946	159, 000	159, 000
Office of Price Administration: Salaries and expenses, 1946	1, 854, 000	1, 854, 000
Total	3, 713, 000	3, 523, 000

The surplus appropriation rescission bill now in course of enactment (H. R. 5158) makes reductions in the original 1946 fiscal year appropriations for the last three of the foregoing items, as follows:

Civilian Production Administration	\$10, 000, 000
Office of Defense Transportation	3, 075, 000
Office of Price Administration	25, 929, 000

The present proposals are tantamount to restoring relatively small portions of those amounts, made necessary by conditions that have arisen were not foreseeable when those rescissions were under consideration in September, last. Such conditions make necessary the continuance of certain functions at levels not maintainable within the reduced amounts of the appropriations of the respective agencies. It is important, therefore, that there be prompt action on this measure. The agencies must know the additional amounts, if any, that will be voted in order to stay within their appropriations.

CIVILIAN PRODUCTION ADMINISTRATION

SALARIES AND EXPENSES

Original appropriation.....	\$35,000,000
In course of rescission.....	10,000,000
Unobligated balance, Oct. 31, 1945.....	8,635,300
Additional appropriation requested.....	1,700,000
Additional appropriation recommended.....	1,500,000

This agency has succeeded the War Production Board pursuant to Executive Order 9628, dated October 4, 1945. It has been in process of liquidation, but the program therefor as earlier designed needs to be slowed down and certain controls reinstated and others continued which it was expected would be dropped. Production and material-shortage problems still persist and labor-management difficulties, which have prevailed for some weeks past, have not helped the situation. It has become necessary, therefore, to retain an effective operating organization in addition to activities concerned with orderly liquidation. The following major factors affecting the economy of the country and the work load of the Civilian Production Administration have been represented to the committee as being chiefly responsible for the request to restore the availability of a portion of the funds now in course of being rescinded:

(1) During the past 90 days, labor-management difficulties have increasingly retarded the reconversion program.

(2) Shortages have continued far beyond the time when it was believed they would be eased for practically all purposes. Notable examples are building supplies, textiles, lumber, steel, cadmium, etc.

(3) Heavy inflationary pressures are continuing much longer than expected and require more emphasis on inventory controls and low-end programs.

(4) Some controls which were removed have had to be reinstated and other controls which it was expected would be removed, have had to be continued.

The committee is recommending an additional appropriation of \$1,500,000, which is \$200,000 less than requested, the reduction to be administratively applied.

The Agency was making a genuine effort to liquidate as planned last autumn. Its force of employees dropped from 11,200 on August 31, 1945, to 2,327 at the end of January. Substantially the latter number will be carried until such time as subsequent developments may warrant their release. There is no evidence of a disposition to continue the agency beyond the time a need for its existence has ceased to exist, and its announced policy is to remove controls as rapidly as practicable and let business proceed in its own way.

OFFICE OF DEFENSE TRANSPORTATION

SALARIES AND EXPENSES

Original appropriation-----	\$7, 515, 000
In course of rescission-----	3, 075, 000
Unobligated balance, Oct. 31, 1945-----	734, 805
Additional appropriation requested and included in bill-----	159, 000

Until recently this agency was proceeding toward being practically liquidated by the end of coming June. From a personnel strength in excess of 2,800 in the fore part of the fiscal year, by June 1946 such number was to be reduced to 29. It is now urged that provision be made to permit closing the fiscal year with 96 positions.

There has developed a serious shortage of boxcars and refrigerator cars. Facilities are taxed to the utmost, occasioned by large shipments of relief food and materials, and demands growing out of reconversion, plus the growing number of cars in disuse that are worn out or are not repairable because of a lack of materials. The situation is well described in the following excerpt from a memorandum filed with the committee by Director Johnson:

Within the past few weeks there has developed many alarming difficulties in railroad transportation which could not have been foreseen and which did not become evident until now. The tremendous volume of in-bound troops on the west coast in December and January taxed the railroads to capacity. The necessity to move troops left a backlog of freight for transportation and resulted in serious dislocations in the supply of box and refrigerator cars. Since these cars could not be moved at the time the troop movements were in progress, that backlog remains and the transcontinental lines have not yet recovered from the December impact. This condition will remain for several weeks to come. Hundreds of cars, boxcars particularly, are not being moved currently on these lines and the movement will remain sluggish for some time. The great number of strikes now in progress caused further dislocation of cars. We have 30,000 or more cars which are now inside of industries loaded and unloaded, which are not moving and cannot be moved. This causes a deficit which must be filled by the transfer of cars from one section of the country to another. A tugboat strike starting Monday morning in New York will paralyze that port within a few hours. Steps are under way to prevent this but at the best there is going to be a tremendous dislocation of cars on this account. The adjustment, relocation, and distribution of cars is the primary responsibility of ODT and the Bureau of Service of the ICC.

The proposal is to restore \$159,000 of the reduction of \$3,075,000 contained in H. R. 5158, in order that the agency may continue to employ its offices in securing the best possible utilization of the equipment available.

OFFICE OF PRICE ADMINISTRATION

SALARIES AND EXPENSES

Original appropriation-----	\$173, 724, 413
In course of rescission-----	25, 929, 000
Unobligated balance, Oct. 31, 1945-----	82, 661, 157
Additional appropriation requested and recommended in bill-----	1, 854, 000

The rescission above indicated was based upon a forecast of economic developments following VJ-day. To meet it, the agency scheduled a reduction of its force from the fiscal year peak number of 63,248 to 30,917. As of the end of January the number had been reduced to 32,838. Owing to developments out of line with its postwar VJ-day forecast, the agency maintains that it cannot reach the June employment objective without serious harm to the economic stabilization program. It proposes a new objective of 33,798

positions, which would require an additional appropriation for pay of \$1,558,580, and for miscellaneous administrative costs of \$295,420, the two sums totaling the amount of the estimate.

The following is quoted from data supplied the committee in support of the funds it is now sought to have restored:

"For some weeks now it has been evident that the economic forecasts on which our October 1 estimate was based, especially assumptions concerning possible price decontrol during the last quarter of the year, were in error. Both employment and consumer purchasing power, despite the readjustments incident to reconversion, remained much higher during the fourth quarter of the calendar year 1945 than was contemplated by even the most optimistic forecasts made immediately after VJ-day. As a consequence, pressures on rents and prices have remained much stronger than we expected. Where we estimated that there would be some softening of prices beginning shortly after the 1st of January with opportunity for selective but substantial price decontrol before the end of the fiscal year, there now is no significant area in which we can safely plan to remove price controls. Where we believed in October that declining rent pressures would have permitted us to drop rent controls in at least 60 areas by January 1, 1946, we were actually able to move out of only 30 small areas with a saving of only 21 employees. Moreover, the Nation-wide housing shortage has become so critical that we have been compelled to extend rent control to 17 new areas and to carry an increased work load in all our established rent offices."

The agency's functions fall into 10 classifications. The personnel of five of these, including rationing, will reduce as earlier planned. It is proposed to increase the personnel of the other five from originally scheduled levels for June, as indicated in the following table:

	Force July 31, 1945	Force pre- viously scheduled for June 30, 1946	Force now proposed for June 30, 1946	Reduction under July 1945	Increase over June, as earlier planned
Information.....	572	434	487	85	53
Accounting.....	1,289	1,131	1,286	3	155
Enforcement.....	6,082	4,379	5,964	118	1,585
Price.....	5,559	4,997	5,535	24	538
Rent.....	4,442	4,489	5,038	+596	550
Total increase.....					2,881

¹ 485.1 in terms of man-years.

Of the total of 2,881 additional positions, 1,561 are for expanding the staff over previously programed levels in connection with rent, price, enforcement, and accounting functions as required by the housing situation, and 1,320 are for forestalling reductions which, by reason of continued economic pressures, would greatly impede the agency in its price-stabilization efforts. The committee does not view the time as opportune to pursue a course that might impair such efforts, and is recommending the restoration of \$1,854,000 of the amount of \$25,929,000 now in course of being rescinded.

Union Calendar No. 468

79TH CONGRESS
2^D SESSION

H. R. 5458

[Report No. 1556]

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 12, 1946

Mr. CANNON of Missouri, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That the following sums are appropriated, out of any money
- 4 in the Treasury not otherwise appropriated, to supply urgent
- 5 deficiencies in certain appropriations for the fiscal year ending
- 6 June 30, 1946, and for other purposes, namely:

HOUSE OF REPRESENTATIVES

For payment to the widow of Joe W. Ervin, late a Representative from the State of North Carolina, \$10,000.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE FOR EMERGENCY MANAGEMENT

CIVILIAN PRODUCTION ADMINISTRATION

Salaries and expenses: For an additional amount, fiscal year 1946, for "Salaries and expenses", Civilian Production Administration, including the objects specified for the appropriation "Salaries and expenses, War Production Board", in the National War Agencies Appropriation Act, 1946, \$1,500,000, and the amount available for printing and binding is hereby decreased from "\$648,000" to "\$398,000".

OFFICE OF DEFENSE TRANSPORTATION

Salaries and expenses: For an additional amount, fiscal year 1946, for "Salaries and expenses", including the objects specified under this head in the National War Agencies Appropriation Act, 1946, \$159,000.

OFFICE OF PRICE ADMINISTRATION

Salaries and expenses: For an additional amount, fiscal year 1946, for "Salaries and expenses", including the objects specified under this head in the Second Deficiency Appropriation Act, 1946, \$1,854,000.

1 SEC. 2. This Act may be cited as the "Urgent Deficiency
2 Appropriation Act, 1946".

79TH CONGRESS
2^D Session

H. R. 5458

[Report No. 1556]

A BILL

Making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

By Mr. CANNON of Missouri

FEBRUARY 12, 1946

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

79TH CONGRESS
2^D SESSION

H. R. 5458

IN THE SENATE OF THE UNITED STATES

FEBRUARY 15 (legislative day, JANUARY 18), 1946

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, to supply urgent
5 deficiencies in certain appropriations for the fiscal year ending
6 June 30, 1946, and for other purposes, namely:

LEGISLATIVE

HOUSE OF REPRESENTATIVES

9 For payment to the widow of Joe W. Ervin, late a
10 Representative from the State of North Carolina, \$10,000.

1 Contested-election expenses: For payment to George A.
2 Dondero, contestee, for expenses incurred in the contested-
3 election case of Hicks versus Dondero, as audited and recom-
4 mended by the Committee on Elections Numbered 3,
5 \$1,000, to be disbursed by the Clerk of the House.

6 EXECUTIVE OFFICE OF THE PRESIDENT

7 OFFICE FOR EMERGENCY MANAGEMENT

8 CIVILIAN PRODUCTION ADMINISTRATION

9 Salaries and expenses: For an additional amount, fiscal
10 year 1946, for "Salaries and expenses", Civilian Production
11 Administration, including the objects specified for the appro-
12 priation "Salaries and expenses, War Production Board", in
13 the National War Agencies Appropriation Act, 1946,
14 \$1,500,000, and the amount available for printing and bind-
15 ing is hereby decreased from "\$648,000" to "\$398,000".

16 OFFICE OF DEFENSE TRANSPORTATION

17 Salaries and expenses: For an additional amount, fiscal
18 year 1946, for "Salaries and expenses", including the objects
19 specified under this head in the National War Agencies Ap-
20 propriation Act, 1946, \$159,000.

21 OFFICE OF PRICE ADMINISTRATION

22 Salaries and expenses: For an additional amount, fiscal
23 year 1946, for "Salaries and expenses", including the objects
24 specified under this head in the Second Deficiency Appropri-
25 ation Act, 1946, \$1,854,000.

1 DEPARTMENT OF AGRICULTURE

2 RURAL ELECTRIFICATION ADMINISTRATION

3 Loans: For an additional amount, fiscal year 1946, for
4 "Loans", Rural Electrification Administration, \$100,000,-
5 000, which sum shall be borrowed from the Reconstruction
6 Finance Corporation in accordance with the provisions of
7 section 3 (a) of the Rural Electrification Act of 1936, as
8 amended.

9 SEC. 2. This Act may be cited as the "Urgent Deficiency
10 Appropriation Act, 1946".

Passed the House of Representatives February 14, 1946.

Attest:

SOUTH TRIMBLE,

Clerk.

79TH CONGRESS
2^D SESSION

H. R. 5458

AN ACT

Making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

FEBRUARY 15 (legislative day, JANUARY 18), 1946

Read twice and referred to the Committee on
Appropriations

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued February 15, 1946, for actions of Thursday, February 14, 1946)

(For staff of the Department only)

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HIGHLIGHTS: House passed with amendments urgent deficiency appropriation bill. Rejected amendment to strike out OPA funds. Rejected motion to recommit with instructions that OPA funds be stricken. Agreed to committee amendment to authorize REA to borrow \$100,000,000 from RFC. Rep. Murray criticized subsidies policy, saying Secretary Anderson is against subsidies one day and for them the next. House passed Treasury-Post Office appropriation bill. House committee reported Patman housing bill providing for price control and subsidies, with amendment.

HOUSE

1. URGENT DEFICIENCY APPROPRIATION BILL. Passed with amendments this bill, H. R. 5458, which contains funds for CPA, ODT, and OPA (pp. 1337-53).
Agreed to a Committee amendment offered by Chairman Cannon, Mo., to authorize REA to borrow \$100,000,000 from RFC (pp. 1337, 1345-52). Rejected, 80-93, an amendment by Rep. Taber, N. Y. to strike out the funds for OPA (pp. 1343-5), and rejected, 108-135, motion by Rep. Henry, Wis., to recommit the bill with instructions that the OPA funds be stricken (pp. 1352-3).
During the debate, Rep. Murray, Wis., criticized the Government policies on subsidies and price control and stated that one day the Secretary is against subsidies and the next day for them (p. 1342); Rep. Jensen, Iowa, criticized the OPA price control policies as being responsible for much of the shortage of critical building materials needed for housing (p. 1342); and Reps. Jenkins, Ohio, and Taber, N. Y. criticized Government "propaganda" activities (p. 1339-40).
Reps. Rees, Kans., Taber, N. Y., and others discussed lumber exports (p. 1341).
2. TREASURY-POST OFFICE APPROPRIATION BILL. Passed without amendment this bill. H. R. 5452 (pp. 1354-8).
Rejected, 26-56, an amendment by Rep. Bunker, Nev., to strike out the provision for sale or lease of silver for manufacturing uses at not less than 71.11 cents an ounce (pp. 1355-8). During debate on this amendment, Rep. Barrett, Wyo., stated that its purpose is "to make silver a little cheaper for the boys.....who manufacture silverware; but the over-all effect of this amendment is to reduce the income of.....the farmer" (p. 1356).
Rejected an amendment by Rep. Hays, Ark., to provide for rural mail delivery on holidays (p. 1358).

3. HOUSING. The Banking and Currency Committee reported with amendment H. R. 4761, the Patman bill which would authorize price control and subsidies on housing and would establish an office of housing stabilization (H. Rept. 1580) (p. 1360).

Rep. Spence, Ky., announced that he would introduce amendments to the bill to meet the requirements of the Wyatt housing plan (p. 1331).

Rep. Rabaut, Mich., stated that the Commerce Department had reported to him that most of the lumber being exported was shipped in order that sugar might be brought in (p. 1332). Rep. Patman, Tex., reported that more lumber is being imported than exported at the present time (p. 1333).

4. FOREIGN AFFAIRS. Rep. Vorys, Ohio, announced that he had asked the Foreign Affairs Committee Chairman to reconsider H. R. 4982, to enable the State Department to disseminate information abroad (p. 1334).
5. FOREIGN RELIEF. Rep. Smith, Wis., spoke in favor of permitting private organizations to ship food and clothing to Germany (pp. 1358-9).
6. RFC REPORT. Received the August 1945 report of RFC. To Banking and Currency Committee, (p. 1360).

SENATE

NOT IN SESSION. Next meeting Friday, February 15.

BILLS INTRODUCED

7. RECLAMATION. H. R. 5486, by Rep. Murdock, Ariz., to provide basic authority for certain functions of the Bureau of Reclamation. To Irrigation and Reclamation Committee, (p. 1360).
8. LABOR. H. Res. 525, by Rep. Hand, N. J., authorizing the Labor Committee to study means of preventing strikes in public utilities, hospitals, and processing and distribution of essential foods and fuel. To Rules Committee, (p. 1360).

ITEMS IN APPENDIX

9. SCHOOL LUNCHES. Extension of remarks of Rep. Douglas, Ill., favoring the Flannagan school lunch bill (p. A783).
10. RURAL ELECTRIFICATION. Extension of remarks of Rep. Hagen, Minn., proposing REA loans for individual farm electric plants where there are too few farms to justify extension of power lines, and insertion of a Windcharger Corp. letter quoting statistics regarding the number of such farms (pp. A777-9).
11. EUROPEAN RELIEF. Extension of remarks of Rep. Hall, N. Y., proposing that bread be flown to Europe for relief instead of shipping wheat (pp. A781-2). Extension of remarks of Rep. Feighan, Ohio, emphasizing the need for relief food in Europe, and inserting the proposed program of the Save Europe Now Committee (pp A785-6).

or practice which I have observed that once a bill passes this body and is over in the other body then there is a clear line of distinction between putting a provision in an appropriation bill under those circumstances and putting it in when it has not been acted on by either branch. It has not been unusual when a bill has passed this House and it has not passed the other body for the Appropriations Committee, where the circumstances justify it and it constitutes an emergency, to then include a provision in the appropriation bill and a rule acted upon waiving a point of order. So that we have a different situation here than the one the gentleman complains about. Furthermore, in response to his first observation, the committee report shows that the silver which would be sold is not presently required by the Treasury for monetary purposes and would be sold at the price the Treasury is required by law to pay for newly mined silver. In other words, the Treasury pays 71.11 cents and this provides that those who purchase for business purposes the silver that is not needed for monetary purposes have got to reimburse the Government for the amount it pays.

I respect the gentleman's views and I am not going to get into any kind of controversy with him because I understand his position and I think he is to be complimented. Each one of the other gentlemen is to be congratulated, and I emphasize that. But in the over-all picture, we have a situation here that has got to be met and we are only carrying on in justice what we did some 3 years ago.

Mr. SABATH. Mr. Speaker, in conclusion, let me say, you gentlemen realize one thing, and that is this is not an exception. Our committee has followed a course which we believe is fair, because the legislative committee has already acted upon the very provision and the House has acted upon it; consequently, we thought that our duty was plain and we had to grant the rule.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Mississippi.

Mr. COLMER. With reference to the charges that have been made of sharp practices on the part of the Rules Committee, I want to ask the distinguished chairman of the Rules Committee if this is not what happened: A meeting of that committee was called. The chairman of the committee, the ranking member of the committee, and the majority leader appeared before the Rules Committee asking for this rule, but nobody appeared in opposition to it?

Mr. SABATH. I think that statement is true.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I am sorry I cannot yield any more.

Mr. WHITE. Mr. Speaker, we do not get any time. The way this is handled by the chairman of the Rules Committee and the leader of the House, we are all kept from talking or giving any facts. Let us have a little time here. Let us get a little fairer statement.

Mr. SABATH. Mr. Speaker, I now yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, there is little, if any, opposition to the adoption of the rule on this side of the aisle. I have not any requests for time. I reserve the balance of my time.

The SPEAKER. The question is on the resolution.

Mr. WHITE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WHITE. Mr. Speaker, this is one of the most peculiar parliamentary situations that has come up in my experience of 12 years in this House. We have got a rule here in reference to one provision in the bill. If this proposed rule is voted down, can we proceed with the bill in regular order?

Is this rule in any way necessary to pass this bill?

The SPEAKER. That is hardly a parliamentary inquiry. Of course, the House can vote down the rule if it desires, and then this part of the bill will probably not be in order.

Mr. WHITE. A further parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. WHITE. In the event that this rule is voted down, does that in any way interfere with the orderly consideration of the appropriation bill on the floor of this House?

The SPEAKER. Not the remainder of the bill; no.

Mr. WHITE. Then this rule is in no wise necessary for the consideration of this bill in the regular order.

The SPEAKER. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. ROBINSON of Utah) there were—ayes 59, noes 35.

So the resolution was agreed to.

URGENT DEFICIENCY APPROPRIATION ACT, 1946

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5458) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on this bill be limited to 2 hours, the time to be equally divided and controlled by the gentleman from New York [Mr. TABER] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5458, with Mr. HARRIS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANNON of Missouri. Mr. Chairman, this is a small bill, but a very

important one. Time is of the essence in the consideration of this measure. It should be disposed of promptly.

The bill relates to only four items. One is an item for the House of Representatives, the usual provision for a year's pay for the wife of a deceased Member. The remainder of the bill is distributed among three governmental agencies in process of liquidation.

While this bill is in the form of an appropriation bill, in a sense it is not actually an appropriation measure. It simply provides for the restoration of money previously rescinded on the assumption that the activities of the agencies involved would be dispensed with or by this time be so contracted that the amount of money we took from their appropriation would not be required. However, due to unexpected changes in the economic situation—changes which at the time the rescission was made could not have been, and were not, foreseen—a portion of the money we took from them is now required for their continued operation.

I doubt whether there has been any period in recent times in which the Congress and the country were so mistaken in their assumptions. Even late last year it was assumed that by this time we would be in the midst of a great wave of unemployment, that armies of men would be walking the streets and hitchhiking on the highways looking for jobs. It was presumed at that time, and practically all economists agreed, that there would be a plethora of agricultural products, that there would be a vast surplus of wheat, cotton, and meat. It was presumed at that time that before this period had been reached reconversion would be in full swing, and that an ample supply of all manufactured products would be available upon the shelves of merchants and other distributing agents.

None of these expectations has been realized. Today employers are frantically advertising for labor. Almost any man can get a job almost anywhere. There is no unemployment. Instead of a surplus of agricultural products, we discover that we have not enough to feed ourselves on the scale which was anticipated, much less feed a large part of the rest of the world, a task which we find devolving upon us as the only remaining nation in the world capable of preventing widespread starvation throughout Europe and other sections of the globe. The ample supply of manufactured commodities which was anticipated has not materialized. Labor-management difficulties have interfered with the reconversion program; and none of the conditions which were so confidently foreseen and predicted by the Nation's economists and executives a few months ago have materialized. The result is that these three agencies, especially, instead of reducing or discontinuing their functions, find that their activities must be continued and in many respects amplified.

So it is necessary for us to go back and reconsider their appropriation needs. We took out of the appropriations for these agencies at that time a total in round figures of \$39,000,000. We now propose in this bill to restore approxi-

mately \$3,500,000 of the \$39,000,000 previously rescinded.

The first of these agencies taken up in the bill is the Civilian Production Administration. As you will recall, the Civilian Production Administration took over the activities of the old War Production Board. It deals with the disposition of every commodity, and especially, at this time, housing items, lumber, steel, and building materials, of which the whole country is so desperately in need. It has already relaxed many of its restrictions, but due to the change in the economic situation and delay in the reconversion program, it is necessary now to continue many of its activities and resume some of those discontinued to insure an adequate supply of materials and facilitate their distribution. So, out of the \$10,000,000 we took away from them under the assumption that their activities could shortly be dispensed with, we here provide for the return of \$1,500,000. I think no one will question the importance of continuing these essential activities until war conditions are more fully alleviated and the reconversion program is further advanced.

The second item carried in the bill is a provision for the Office of Defense Transportation. There is wide agreement that no war agency has been more efficiently and effectively managed than the Office of Defense Transportation. Against seemingly insurmountable obstacles, this activity carried on. It kept the roads open. It provided rolling stock. It kept the trains moving. It regulated the flow of shipping and maintained highway traffic. It rendered during the crucial days of the war, when a breakdown in transportation would have been catastrophic, a service which stands out as one of the great accomplishments of the war. We expected that by this time the agency would be approaching liquidation. It was scheduled for discontinuance by the end of the fiscal year. Proceeding on that assumption, we took out of the appropriation, on the premise that it would not be needed, the substantial sum of \$3,075,000.

It now develops there is an unexpected and urgent shortage of all character of rolling stock, but especially boxcars and refrigerator cars, and to such an extent that it has become critical just at a time when needed commodities must be moved rapidly and delivered promptly. So the committee recommends to the House that out of the \$3,075,000, taken out of the appropriation in anticipation of liquidation of the agency, the sum of \$159,000, a comparatively small amount be returned to them for the continuation of their service during the remainder of the current fiscal year.

Lastly, the Office of Price Administration is further provided for. The OPA has rendered indispensable service during the war. It has prevented inflation. It has kept down the cost of living which threatened every day to advance to proportions which would have been disastrous to our wartime economy. The OPA, operating throughout the war, has kept down prices, services, rents, and the cost of living so that the economic structure of the United States has not

been subject to excessive stress and disintegration, although in many countries throughout the world inflation has proceeded to a point where it has paralyzed and demoralized the entire economic structure in the latter years of the war and the early months of reconversion.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Arizona.

Mr. MURDOCK. I did not hear all the gentleman's statement. Does this bill before us have a deficiency appropriation for OPA?

Mr. CANNON of Missouri. Yes. It is in the form of a deficiency appropriation. As a matter of fact, it returns to the several agencies a part of the money originally appropriated for them but which we took away from them under the assumption that their functions would be so largely curtailed that the amounts rescinded would not be needed. We now discover that reconversion has been retarded and that supplies of goods which were expected have not been produced and are not available to the consumer, the scarcity of which would result in a tremendous rise in prices which would influence not only the price of the articles immediately affected but would start a wave of inflation that would affect every item in the cost of living. With this in view, out of the \$25,929,000 which we took from OPA in the last rescission bill, we here propose to return, in the form of a deficiency appropriation, \$1,854,000.

Mr. MURDOCK. Will the gentleman yield further?

Mr. CANNON of Missouri. I am glad to yield further to the gentleman from Arizona.

Mr. MURDOCK. On two or three different occasions in the recent past I have complimented the gentleman for bringing in these several rescission bills so that we might save the American taxpayers' money. I think the Appropriations Committee has done well to attempt to take back any money already appropriated but not further needed for the real war effort. The gentleman as chairman has heard me on two or three other occasions in committees say, "Do not cut too deeply; do not cut back too much, because you may hamper work that should be continued, work that is really war work." I am glad the gentleman is doing just exactly that for OPA. Without my knowing fully whether the amount taken back was too much and the amount now reappropriated is sufficient or not, I think the general policy is certainly wise, and I commend the gentleman.

Mr. CANNON of Missouri. I am glad to have the gentleman approve the action of the committee in both instances, both in its original rescissions and in its return of money now required.

The House must understand that the Committee on Appropriations is now operating under an entirely different policy from that under which it operated during the war. During the war, when the maintenance of armies abroad and the achievement of victory itself hung in the balance, we could not afford to be too discriminating. Always, when there was uncertainty, we resolved that uncer-

tainty in favor of liberality. Always, during the war, when it was a matter of supporting the men in the field, if we had to make a mistake we made the mistake of giving them too much rather than too little. We erred, if at all, on the side of prodigality.

But now that the war is over and we are faced with the problems of reconversion, with a debt such as no country ever shouldered before, we have revised our policy. Our policy now is, in case of doubt, resolve the doubt in favor of economy. When we bring in these rescission bills always if there is any uncertainty we cut too deeply rather than not deeply enough. That was the policy we pursued and on which the gentleman from Arizona has just commented. It now develops that in some instances we cut a little too deeply; but always we had the recourse of coming back to the House as we are doing today after learning what the true picture is from actual observation and experience. We know now exactly the amount needed and we have provided the minimum amount needed to continue the indispensable activities of these agencies which have contributed so successfully to the winning of the war and are now contributing so materially to the solution of the problems of reconversion.

So, out of the \$25,929,000 we originally took away from OPA, on the theory that money would not be needed, we are now putting back the much smaller sum of \$1,854,000 to continue needed activities in stabilizing the cost of living and the prevention of inflation.

The OPA has followed during the year a drastic policy of reduction. It has in this fiscal year cut its personnel practically 50 percent. It began the fiscal year with a pay roll in excess of 63,000 employees. This has been cut down so rapidly that today they have a little over 32,000 employees. We have reduced it almost 50 percent. Certain of its activities must be continued, activities which if relaxed for a minute would skyrocket the price of food, the price of clothing and rents, the cost of living throughout the country, and start a wave of inflation that would engulf the Nation. It would be difficult to estimate the disastrous effects which would accrue from even the partial release of basic controls now exercised by OPA. To avoid this situation we propose to restore to this agency \$1,854,000.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. The OPA is asking for a restoration of a part of the funds taken from it in the rescission bill.

Mr. CANNON of Missouri. That is correct. We took \$25,929,000 from their funds but now that they have come in and justified the return of a comparatively small portion of it we are giving \$1,854,000 of it back to them. It is in effect a restoration of that amount, but we present it as an additional appropriation.

Mr. SMITH of Ohio. I am talking about the 1947 appropriations.

Mr. CANNON of Missouri. This does not affect the 1947 appropriations. This merely gives them sufficient additional funds to enable them to operate during the balance of the fiscal year 1946.

Mr. SMITH of Ohio. I understand OPA is carrying on a propaganda campaign to have part of that restored, and I just wondered whether the gentleman knew anything about the likelihood of OPA making a request that that be done.

Mr. CANNON of Missouri. I am not familiar with any OPA propaganda. The only basis on which the committee proceeded was the evidence actually submitted in the hearings. After hearing the testimony it was the opinion of the committee that we should return this amount of money. It was the sense of the committee that this money should be returned in order that they might continue their operations the remainder of the fiscal year.

If conditions had turned out as anticipated, and as everybody believed, we would have been able by this time to relax most of these regulations. As a matter of fact, the OPA has already released many of its restrictions. Many of those irksome regulations have been lifted. But under the changed conditions in which the country finds itself; in the face of a scarcity of goods, coincident with heavy deposits in the banks of the country; with an unprecedented surplus of money at hand, if we should at this time remove or relax restrictions, the immediate result would be a tremendous upsurge of inflation and if the situation should once get out of control we could never expect to get it back. So this is the critical time; and this is a critical problem of the reconversion period.

In bringing in this report the committee feels that if we are to act and act in time to stabilize prices, services, rents, and the cost of living, this amount at least must be provided. In the opinion of the committee this is the minimum amount required to maintain economic equilibrium.

Mr. SMITH of Ohio. Is this all the OPA asked for?

Mr. CANNON of Missouri. I do not recall the amount that they asked the Budget Bureau for, but after we had sifted the evidence, we felt they ought to be able to get along with a minimum of \$1,854,000 for the remainder of the fiscal year. As the gentleman knows, it is not the habit of the Committee on Appropriations to grant the full amount requested by any of these Government agencies unless it is fully justified. We explore every alternative and frequently find they should be able to get along on less money. And where we think they can get along on less money we cut them down to what we think is the minimum they should have.

Mr. SMITH of Ohio. The reason I bring the point up is if they can get along with this amount, then it certainly seems they will have no good ground for asking for more for the year 1947.

Mr. CANNON of Missouri. The testimony before the committee indicated that they planned to release restrictions,

liquidate activities, and discontinue all OPA controls in the coming fiscal year. The desire of the committee, the Congress, and the country, is to get away from these wartime restrictions just as quickly as we can. We do not expect to continue the OPA; we do not expect to continue any of these wartime agencies one day beyond the time they can be dispensed with, and we do not expect to provide them with a single dollar beyond the necessary funds required for their work. So, in the coming fiscal year we hope completely to dissolve all wartime restrictions. The OPA has already liquidated half or more than half of its forces. It has discontinued a great number of restrictions and has vacated many fields of activity. We are getting down as rapidly as we can to a peacetime status and it is our hope and expectation that large appropriations will not be necessary in the fiscal year 1947 for any of these wartime agencies.

Now, Mr. Chairman, may I turn to an item not reported in the bill. Since the bill was reported to the whole committee a need for further funds by the Rural Electrification Administration has developed. The committee has held hearings on an estimate received from the Bureau of the Budget for the Rural Electrification Administration. In response to needs which had not previously developed but which the committee now recognizes, I shall, when the bill is read for amendment under the 5-minute rule, submit by direction of the subcommittee having jurisdiction, an amendment to provide further funds for REA.

As heretofore indicated, these items in the bill as presented pertain to matters which affect immediately and directly the policies of reconstruction and the liquidation of the war agencies. They are urgent. We have had many estimates from the Bureau of the Budget on other items for other departments of the Government, but we present here today only those items we consider so urgent that they should have immediate action, and the House should at this time pass upon them one way or the other. In passing upon this bill we are passing upon policies of far-reaching importance which will either expedite or retard the transition from a war economy to a peacetime economy.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Kansas.

Mr. REES of Kansas. Does not the gentleman think that \$1,854,000 of additional funds is quite an amount to allow OPA to just carry on? Does not the gentleman think that is a little excessive?

Mr. CANNON of Missouri. I fully agree with the gentleman that it is a large amount, and we had not anticipated such an appropriation, but conditions have developed under which it has become necessary to spend this amount in order to maintain restrictions which we had hoped could be dispensed with. After going over in detail all the evidence submitted, the committee decided that this was the smallest amount with which the job could be handled acceptably at this time. If we had thought it could

be done for a dollar less, we would have recommended \$1,853,999 instead of \$1,854,000.

I now yield to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, this bill does not call for an enormous sum of money. The total involved is something in the neighborhood of three and one-half million dollars. One of the major items is the Office of Civilian Production. I can see where a very considerable additional activity, temporarily and for a few months after the severe strike situation that the country is facing, will be placed upon that Administration, because there probably will have to be for a little while allocations of some of the critical materials. We probably could not break away from that immediately.

The Office of Defense Transportation has had a very large burden placed upon it as the result of the shipment of goods to the Atlantic seaboard for shipment to Europe in connection with relief operations. Those operations have been so much larger than anyone anticipated that requirements for all sorts of things like refrigerator cars have pyramided to such an extent that shortages have resulted. I presume they may have some additional activities which should be given consideration.

When it comes to the OPA, I am going to be perfectly frank with you and I am going to tell you just what I think about it. I think the OPA is at the present time the chief promoter of inflation in America. They have promoted shortages by their ridiculous regulations and the penalties they have imposed upon those who would produce. They have allowed higher prices for articles designed to be exported than they have for those for domestic consumption. While they state that that is only the normal differential that is usually incident to the extra expense of handling accounts, many of the people in the industries do not bear that out.

This request for additional funds for the OPA comes about in this way, and I am going to give you the detail of it because I think the Congress should have the detail of it. For their Office of Information—and that means the office of propaganda, and that office of propaganda is being used not for the purposes of enforcement but for the purpose of procuring continuation of the OPA statute, and very largely misrepresenting what the OPA is doing and has accomplished—they want 53 more people than their schedule they brought to us before called for, 53 additional people involving \$35,969, besides an enormous expense for other items than personal services.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Kansas.

Mr. REES of Kansas. In explaining the need for this expenditure before the gentleman's committee, what did they allege these 53 individuals are expected to do? What are their duties with respect to the problem of running the Office

of Price Administration? How can they help the country?

Mr. TABER. They claim that these people are being used for supplying information to the public. As a matter of fact, they are being used almost entirely for propaganda purposes.

Mr. REES of Kansas. To build up the OPA organization?

Mr. TABER. To build up the OPA and its activities.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. As a matter of fact, they are just a small portion of the army of 46,000 propaganda experts we now have on the Federal pay roll at the expense of the people.

Mr. TABER. That is correct. On top of the 53 they are asking, they would have according to their original schedule 434 propaganda artists.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. REES of Kansas. Could we not save a little money there and cut that 434 down by probably 50 percent and do just as well?

Mr. TABER. I would think the OPA would be in better odor today with a lot of people if their propaganda machine were wiped out. I think it has been a menace to the OPA and its administration throughout.

Mr. REES of Kansas. I am inclined to agree with the gentleman.

Mr. ROBERTSON of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. ROBERTSON of North Dakota. Would the gentleman care to express himself on the question of lumber and the export of lumber at this particular moment?

Mr. TABER. The price of lumber generally is \$2 a thousand more for export than it is for the domestic market. They attempted to justify that because of normal differentials in those operations. Frankly, I think that that figure greatly exaggerates the additional cost of export handling. I think it makes it much easier for lumber producers in a scarce market to sell for export than for the domestic market.

Mr. ROBERTSON of North Dakota. The same thing would apply to nylon hosiery, would it not?

Mr. TABER. They seemed to have exported a very considerable item of that. We asked them about that and there seems to be a report which they had that the volume of exports was not very large. Frankly, I have not been able to obtain statistics of my own to go into that question intelligently.

Mr. ROBERTSON of North Dakota. I thank the gentleman.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. SMITH of Wisconsin. Does the gentleman know how much of this money is being used to influence Federal legislation by way of propaganda?

Mr. TABER. Their appropriation for that item was set up and allocated for the fiscal year 1946 at \$1,826,326. I think

that is the correct figure. They want here an additional \$35,969 for that purpose.

Mr. SMITH of Wisconsin. It is a fact they are actually engaged in a great propaganda campaign to influence legislation at this time.

Mr. TABER. I think that is correct.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Ohio.

Mr. JENKINS. Is it not true that it is against the laws and statutes of the United States to use Federal money to influence legislation through propaganda?

Mr. TABER. That is correct.

Mr. JENKINS. May I call the gentleman's attention to this matter? I have been thinking of introducing a bill to prevent any Government agency from using any Government money for the purposes of propaganda. I have had a little difficulty in getting the figures which would justify me in making a rounded statement on the matter at this time. But I think there is absolutely no question about the gentleman's position that literally millions of dollars are spent for that purpose. I will cite an outstanding example as proof of that.

For instance, they took Benton and Bowles out of a great advertising firm, and they put Bowles at the head of the Food Administration. Nobody claims he knew anything about food or prices. They took Benton and put him in the office of Secretary of State. He is supposed to do nothing in the world but propagandize. I have often thought, of all the departments, why would the State Department need a propagandizer? There is a department of Government that has been more or less secretive. It has been a department that should do everything else but propagandize. But that is what he is there for. He does not know anything about diplomacy. He and Bowles are two of the most artful advertisers in the Nation.

Mr. TABER. If the gentleman would like to have that developed a little, I would ask the gentleman how he would like to be ambassador to some foreign country and have somebody else with Mr. Benton's background and experience in foreign affairs broadcasting into that country that he was supposed to serve and deal with, without any control by him? How would he like that position?

Mr. JENKINS. I would not have it at all. I think it is inconsistent with the duties and prerogatives of that great Department. I do not see why it is necessary. Indeed, I think it is going to cause trouble. It is bound to do so. Here is the position I take: I think for the Government to propagandize is absolutely wrong, because propaganda is not an attribute nor an incident of sovereignty. A government is sovereign. A government ought not to put out anything except the truth, and the truth does not need any propaganda. It is absolutely wrong.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. SMITH of Ohio. Why not put a restriction in the bill providing that none

of these funds shall be used by OPA for propaganda purposes or to influence legislation policies?

Mr. JENKINS. I understand that the law provides now that it is a crime to use money for propaganda purposes, but how are you going to tell whether it is propagandizing or what it is? They can disguise it so as to make it difficult to stop it. And, again, you cannot expect to have it done by persons who are not in favor of doing it.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield myself 10 additional minutes.

The next item where they want an increase is 155 for their accounting set-up. That would bring them up above where they are now. It would cost \$106,000, and it would bring them back to the strength they had at the first of the year. They claim they must have that to go into the accounts of all business in figuring out what prices they can give them. Frankly, I do not believe they need it.

The next item is an increase proposed of 1,585 for enforcement, on top of a present figure of about 5,200, and they want to build it up to a figure of 5,964. That would cost \$858,000.

The next item is a proposed increase in their pricing outfit. There they want an increase of 538. I have had some experience with that organization. They have closed plants in my territory because they would not give them an advance in price commensurate with the increased wages which the plants had to pay. I have known of cases when after all the information had been submitted to them that they wanted, and after they had made up their minds as to what they were going to do, they would wait 3, 4, and 5 months to make a decision. That has stifled production. They have had too many units involved in the thing and there has been too much monkey work. They have failed to make decisions because of their bureaucracy and the monkey work. That has resulted in their becoming the chief promoters of inflation and the chief throttlers of production here in America.

They have plenty of help to do the job if they only wanted to do it, but they will not meet their responsibilities. If you give them more help, it will not result in their doing the job. On top of that they want 550 more in their rent set-up; they want to build that up to 5,038. It was 4,402 at the beginning of the period. Frankly, it seems to me they have gone far enough with their build-up and that they should not be allowed to make that kind of build-up. I hope when that item is reached an amendment will be adopted that will change the picture and prevent these people from putting on more help than they need.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. I call attention to the fact that if this request is allowed in full the agency not only will slow down its contemplated production but will put 366 more people on the rolls than it had on July 1, 1945.

Mr. TABER. That is correct, and that is one of the worst things about the picture.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. SMITH of Ohio. Does the gentleman from New York see any reason why the OPA should increase its personnel?

Mr. TABER. I do not at this time. I want to see price control operated right. I frankly feel that I must say one thing more.

I have been astounded by the suggestion that Paul Porter be made the head of that organization. It has been broadcast in the newspapers. He was head of the rent outfit when the thing first started, and he made a mess of that. That was covered thoroughly in the report of the Smith Committee to this House after they had investigated it thoroughly. I would hate to see somebody placed in that office where the control would be purely and totally political.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Kansas.

Mr. REES of Kansas. At the beginning of the gentleman's discussion something was said about the price of lumber sold abroad.

Mr. TABER. Yes.

Mr. REES of Kansas. As I understood the gentleman, those exporters of lumber get more money for it than they do if the lumber is sold in this country. Is that the gentleman's understanding also?

Mr. TABER. They get \$2 per thousand more, or about that. That figure may not be exactly right but it is for all practical purposes—something like \$2 per thousand more for lumber abroad on the ground that the extra \$2 is to cover the added expense of handling foreign accounts.

Mr. REES of Kansas. Naturally, if the foreign market were higher than the domestic market the lumbermen would want to sell it abroad, would they not?

Mr. TABER. They would unless the extra expense of handling is over \$2.

Mr. REES of Kansas. One thing more, and I am not sure the gentleman can answer the question. There has been considerable complaint and publicity recently about the alleged shipment of something like 250,000,000 feet of lumber out of the country during the month of January. Does the gentleman have any knowledge or information in reference to that?

Mr. TABER. Two hundred and fifty million feet?

Mr. REES of Kansas. That is right. That has been shipped out of this country during the month of January.

Mr. TABER. I cannot answer that. I know there have been very considerable foreign shipments, but I have no figures on them.

Mr. REES of Kansas. I cannot understand why our administration would follow the policy of permitting a tremendous amount of lumber being exported from this country when we are in such dire need of it for the building of homes in our own country. It seems

to me it is a thing, if it is going on, that should be looked into and stopped.

Mr. TABER. I have not been able to go into that question fully enough to know how much has been shipped or how much should fairly be shipped considering our obligations to take care of the distress across the water. Frankly, I feel that we should try, in so far as we can and without too much damage to ourselves, to meet our fair obligations; on the other hand, we should protect the interests of the people of the United States.

Mr. REES of Kansas. I think that is a fair statement. We should, as far as we can, share with foreign countries.

Mr. TABER. I do not know enough about that picture to be able to make an intelligent statement on whether we have been overdoing it or not. I would not know what the production was, I would not know what was available, and I would not know the types that have been shipped.

Mr. REES of Kansas. I thank the gentleman.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Ohio.

Mr. JENKINS. Along that same line, but not dealing with lumber, may I say that this morning I received a letter from a company in my district. It is quite an organization too. They do a lot of business. The head of that organization said he had been all through the East trying to buy a certain commodity, but he could not buy it. He knew of some other companies, much larger than his company, that could not buy the commodity either. He asked me to find out about it. So I called up one of the Departments here in Washington, and I found that in some conference somewhere someone had bound the production in the United States under a quota. Under this quota system a large portion of the production of that commodity had been exported. There was not enough retained to supply our demand. There is none to be had now. This man from my district says he can buy the commodity from one of his own subsidiaries in Canada. The article goes from the United States to Canada to one of these subsidiaries, but he cannot buy it here.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield myself five additional minutes.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. I am told that there is a great deal of lumber in Germany. I do not see why that lumber cannot be used to assist the distress over in Europe and keep our own lumber in this country where it is needed by so many different industries. I am constantly receiving requests and justified complaints that too much lumber is going abroad. That lumber over there could be used in those countries, which would obviate the necessity of sending it abroad.

Mr. CLASON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. CLASON. I notice from a prepared speech by the gentleman from Ohio [Mr. McGREGOR] it is stated that during the year 1945 the Foreign Trade Division of the Bureau of the Census has announced that the exports of lumber were 423,000,000 during the year 1945, but that during the first 3 months of 1946 they planned to export 225,000,000 feet of this lumber, which would be substantially a 50-percent increase per month for January, February, and March over the 49,000,000 feet exported in December, which was the largest number of feet of lumber exported in any month during 1945. I would like to know if the gentleman knows any reason why at a time when our veterans and our people are facing the greatest and most critical scarcity of housing in history it is necessary for us to ship this lumber abroad on an increased basis?

Mr. TABER. I would think that it was, but frankly I do not know the types of lumber shipped. I do not know the amount of production or anything of that character, so I would not be able to form a real intelligent judgment on what the practice should be. I know that the shortage of lumber at this time in my territory is much worse than it was during the critical stages of the war, and I know that it is impossible for farmers to even get material to fix their barn roofs and things of that sort.

Mr. CLASON. The gentleman referred to the farmers. That raises another question. A few years ago the Department of Agriculture thought up the wise idea of killing the young pigs and other livestock and poultry throughout the country on some theory of scarcity. Today in New England we are told that the OPA, by its manipulation of ceiling prices, is determining the distribution of feed products which would be available for poultry and dairy stock. They are so manipulating it that it is likely that at least 25 percent of our dairy herds will be slaughtered within the next few days or weeks, and that the poultry production will be cut substantially. I am wondering if the gentleman is in a position to tell us whether the OPA could not handle its powers on a basis which would be more fair to the farmers of our country.

Mr. TABER. I have criticized the OPA here, but I feel that I must put the blame for that operation where it belongs. That operation is being handled by the Department of Agriculture.

Mr. CLASON. And they are using the OPA for that purpose?

Mr. TABER. They are using the Price Control and Stabilization Act and the rationing proposition as a means of handling it.

Mr. HENRY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wisconsin.

Mr. HENRY. Does not the distinguished gentleman from New York believe that we should take care of our own desperate needs in this country before we permit a substantial exportation of lumber?

Mr. TABER. I think it should be fairly allocated as between the domestic

demand and the foreign demand, and I think that before we can pass on it we ought to know something about it. Frankly, I do not know as much as I would like to know to pass on it from a legislative standpoint. I know it is a very serious situation and I know that our own people are in a critical condition on account of the lumber situation.

Mr. HENRY. The gentleman also knows that we have heard a great deal about one-third of our population being ill-housed, ill-fed, and ill-clothed. Does he not agree that charity should begin at home?

Mr. TABER. We should at least do something for the home folks.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. MURRAY].

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Wisconsin. Mr. Chairman, we are drifting along to the end of February. In December President Truman set fire under all the Members of Congress in a fireside chat. I did not think at the time that he was talking to me. I was and am sure he does not need to set any fires under me. I would like to get a little of that fire and put it under some of the committees, and administration leaders here in Washington. We have been waiting day after day and week after week to see the price and subsidy question brought before the committee. We see frustration supplanting the confusion. Many people in the administration do not seem to know what direction they are going, as is evidenced by the statements of our distinguished Secretary of Agriculture. One day he is against subsidies. The next day he is for them because the people have so much money in their pockets they do not know what to do with it. The Republicans have had a food-study committee. They at least did bring out some things to show exactly the road we are going and what we would have to do if we expected to eat in this country, but I guess our majority did not want to be outdone, so they had a special committee of their own set up. Now they are trying to find it out. Until we find out what is to be done about prices and subsidies there isn't any use of appropriating more money to any agency.

We have seen this happen. The President after VJ-day told labor: "The straitjacket is off; go out and get all the increase you can; we recommend it." He threw the WLB out the window. High men in the administration said to get 10, 15, or 20 percent. They went out and did it. They just did what the President asked them to do. That is the reason why I do not feel they should be criticized very much for doing it, because I believe that if he had told the wheat farmers of this country that they never had had parity during the war and that they ought to have \$2 a bushel for their wheat instead of a dollar and a half, the wheat farmers of this country would have been willing to take the \$2. Especially if they had seen rye, with less

food value, selling for over \$2 per bushel. Until these prices and subsidy questions are settled we can appoint all the fact-finding committees we want, but we are going to end up just exactly where we started. With all due respect to Lloyd K. Garrison, of the great University of Wisconsin and the great State of Wisconsin, and to Mr. Witte, of Wisconsin, who is on the packing-house panel, I must say they are not smart enough, nor are any men in any university in this country smart enough, to bring in a recommendation of any value until they know what the price, the cost of living, is going to be, and what we are going to do on subsidies. This question of 2, 3, 4, 5, or 6 cents an hour is more than offset by the price and subsidy question.

I am not an alarmist, and I have never told anyone any time that they were going to go hungry. However, I do not care to vote for any more money for the OPA and thus increase the dangers of starvation. Remember Chester Bowles is right on the necks of the farm people of this country. "Oh, we will hold you down on your hourly return per hour." Chester Bowles and the other agencies are there to keep businessmen from making a profit. So I just say here today, before I vote any more money for OPA, I do not want to be a party contributing to any more of the confusion and the frustration that is apparent in every single piece of legislation that is brought here on the floor of this House.

Mr. HENRY. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Wisconsin.

Mr. HENRY. I take it the gentleman feels that they are putting the cart before the horse in handling this price-wage situation.

Mr. MURRAY of Wisconsin. Yes; I think they have put the cart before the horse, or before the mule, whichever it may happen to be in this particular case. Until some decision is made on price control and on subsidies we will continue to run around in circles.

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from North Dakota [Mr. ROBERTSON].

Mr. ROBERTSON of North Dakota. Mr. Chairman, due to the fact that I find it necessary to go downtown with some Senators from potato-producing States to meet with the Secretary of Agriculture, I probably will not be on the floor when the vote is taken on this bill. I understand the gentleman from Missouri [Mr. CANNON] will offer an amendment adding \$100,000,000 for rural electrification. I should like to make my position clear on that particular item. If I am on the floor when that provision is voted on, I shall vote for it as I am strongly in favor of it. I hope to be back before the vote is taken. Also, I follow my friend from Wisconsin in strongly disapproving any additional funds for the Office of Price Administration.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, on yesterday I had considerable to say on the floor of this House relative to the Wyatt plan for getting homes built for veterans. I honestly believe the Wyatt plan would work the exact opposite, for the simple reason that we never will get production in the lumber manufacturing industry until we make it possible for the lumber mills to produce lumber without going bankrupt.

I direct your attention to my remarks on page 1310 of the CONGRESSIONAL RECORD of yesterday, February 13. I also inserted a number of letters and articles from lumber magazines and from other people in the know, to substantiate the position I take relative to the present underproduction of lumber and building materials and the causes thereof. The facts of the matter are that we could get lumber production in great quantities within a very short time if the OPA would permit certain items to be raised to a price that would encourage the mills to produce to capacity. Hundreds of little mills and big mills have already closed throughout the country. So I say again that if Mr. Bowles and Mr. Wyatt want production, which seems debatable, and want these veterans to have homes, there is just one way to get them, and that is to adjust these prices. Mr. Wyatt is asking that we appropriate money from an already bankrupt Treasury to the tune of \$850,000,000 to subsidize the building of these homes. Mind you, the veteran is not going to get these homes or that money. They say it is going to be used to encourage the people who are in the production end of the business. Because of that, and because of the facts I have endeavored to point out in my remarks of yesterday and today, I certainly cannot and will not vote for more money to help bungle this thing up worse than it is now. If we give the OPA this \$1,854,000 they ask for here, it will simply mean that the Congress is giving the green light in this bungling mess which will make conditions worse than they are today, if this is possible. About all they do is go around the country and abuse good American people. And who are the fellows who are doing it—fellows who do not know a thing about the business they ride herd on with spurs.

Mr. Chairman, I understand an amendment will be offered to cut out this item of \$1,854,000 for OPA which I certainly shall support. This additional money is requested to put more OPA snoopers on the taxpayers' backs and to abuse more good Americans. Not with my vote.

Mr. CANNON of Missouri. Mr. Chairman, I ask that the Clerk read the bill.

Mr. TABER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-three Members are present; not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 22]

Adams	Arnold	Bennett, Mo.
Anderson, Calif.	Barden	Bennett, N. Y.
Andresen,	Bates, Mass.	Bland
August H.	Bender	Bolton

Bonner	Gorski	Pfeifer
Boren	Grant, Ind.	Philbin
Bradley, Mich.	Gross	Ploeser
Bradley, Pa.	Hall	Powell
Buckley	Leonard W.	Quinn, N. Y.
Burgin	Halleck	Ramey
Butler	Harness, Ind.	Rayfiel
Byrne, N. Y.	Harness	Reece, Tenn.
Byrnes, Wis.	Hartley	Reed, N. Y.
Campbell	Hébert	Rich
Cannon, Fla.	Hedrick	Rizley
Carnahan	Heffernan	Robertson,
Celler	Hendricks	N. Dak.
Chenoweth	Herter	Roe, N. Y.
Clark	Hoffman	Rogers, N. Y.
Clements	Holmes, Mass.	Rowan
Clevenger	Hook	Sadowski
Coffee	Huber	Schwabe, Mo.
Cole, N. Y.	Johnson, Ill.	Shafer
Courtney	Judd	Sharp
Crawford	Keefe	Sheridan
Crosser	Kelley, Pa.	Short
Curley	Kelly, Ill.	Sikes
Dawson	Kerr	Smith, Va.
De Lacy	Kilburn	Snyder
Delaney,	Kopplemann	Stigler
James J.	Kunkel	Summers, Tex.
Dingell	LaFollette	Talbot
Dondero	Lane	Taylor
Doughton, N. C.	Lea	Thom
Douglas, Calif.	Lesinski	Thomas, Tex.
Eaton	Luce	Tolan
Eberharter	Lynch	Torrens
Ellsworth	McCowen	Towe
Elsaesser	McKenzie	Wadsworth
Fellows	Marcantonio	Walter
Fisher	May	Wasielewski
Flood	Marrow	West
Fuller	Monroney	White
Gamble	Murphy	Wilson
Gathings	Norton	Winter
Gavin	Outland	Wolcott
Gearhart	Pace	Worley
Goodwin	Patterson	
Gore	Peterson, Fla.	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HARRIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 5458) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes, and finding itself without a quorum, he had directed the roll to be called, when 289 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER. The Committee will resume its sitting.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

For payment to the widow of Joe W. Ervin, late a Representative from the State of North Carolina, \$10,000.

Mr. WIGGLESWORTH. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WIGGLESWORTH: On page 2, after line 4, insert a new paragraph as follows:

"Contested-election expenses: For payment to GEORGE A. DONDERO, contestee, for expenses incurred in the contested-election case of Hicks versus Dondero, as audited and recommended by the Committee on Elections, number 3, \$1,000 to be disbursed by the Clerk of the House."

Mr. WIGGLESWORTH. Mr. Chairman, this is simply a routine amendment to take care of a contested-election expense which has been duly certified as due by the Committee on Elections No. 3. I have talked to the chairman of the committee and I understand there is no objection to the amendment.

Mr. CANNON of Missouri. Mr. Chairman, the committee has no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was agreed to.

The Clerk read as follows:

OFFICE OF PRICE ADMINISTRATION

Salaries and expenses: For an additional amount, fiscal year 1946, for "Salaries and expenses," including the objects specified under this head in the Second Deficiency Appropriation Act, 1946, \$1,854,000.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read, as follows:

Amendment offered by Mr. TABER: On page 2, line 20, strike out all of lines 20 to 24 inclusive.

Mr. TABER. Mr. Chairman, I am offering this amendment to strike out the proposed increase for the Office of Price Administration. I do not believe they need it. I do not believe they would have any trouble in getting along on the \$148,571,000 that has been made available to them in previous appropriations with a large portion of it still available at this time. This is a request for \$1,854,000 and involves additional help for their propaganda division of 53, making a total of 487 in that set-up; additional help in their accounting set-up of 155; in their enforcement set-up of 1,585; in their price set-up of 558; and in their rent set-up of 550. I believe they have plenty of help if they would do their job in a regular way and in a businesslike way do what they have to do. I do not want to hamper them, but when I find they take cases and after they have decided them and they have been through about 10 or 12 bureaus and after they have made up their minds what they want to do about them, they hold up the proceedings for 3 and 4 months, then I am satisfied they are wasting much of their help and wasting a lot of their time, and we ought not give them more money. I hope this amendment will be adopted and that we will not permit them to go on in the same way they have been going on, really promoting inflation by their failure to operate promptly and decisively and put people to work in production.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. REES of Kansas. Do I understand we have already appropriated something over \$148,000,000 for OPA?

Mr. TABER. \$148,575,000.

Mr. REES of Kansas. And they are asking today for a million and a half more?

Mr. TABER, \$1,854,000, almost two million more.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CANNON of Missouri. Mr. Chairman, I wonder if we can arrive at some agreement on time for debate on this amendment.

I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ROE of Maryland. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York.

Mr. Chairman, during the recent World War II, America was beset by two foes—Germany on the east, and Japan on the west. Now that peace has come, we are still beset by two foes—the CIO, with its communistic tie-up, doing all in its power to destroy our form of government and create economic chaos by senseless strikes on the one hand, and bedeviled by the OPA and its impractical, impossible of understanding rules, regulations and restrictions, on the other hand.

I am past middle life and have been pretty observant. I have seen our beloved country go through many panics. All these panics were caused by overexpansion, overproduction, underconsumption, lack of demand, and lack of buying power. We are now entering upon a depression, fundamentally caused by the misinterpretation of laws passed by the Congress. Production is being stifled by the OPA and its senseless rules. There is work in abundance, but the workers do not want to work. There is unlimited demand for the commodities our manufacturers produce, and unlimited money with which to pay for this merchandise, but we are creating an artificial scarcity, and an artificial underproduction so that we face an uncertainty greater than ever faced our Nation before, an uncertainty caused by Government agencies who think it their job to regulate profits and to control everything our people do from the time they get up in the morning till the time they go to bed at night.

The chief excuse for the OPA is inflation. Inflation is held up as a terrible bugaboo, the monster that would destroy us all. The only inflation I am afraid of is the inflation of worthless currency, like the paper money of the Confederacy after the Civil War, and like the marks of Germany after the First World War, when this money actually was not worth the paper it was printed on.

It is true that if OPA restrictions were taken off we would have some advance in prices for a short period of time, but we would have production almost immediately; and competition, production, and the law of supply and demand would very speedily solve all of our troubles. I believe the law of supply and demand is a natural, divine, God-given law that cannot be set aside by man any more than we can stop the sun from shining or the tide from ebbing and flowing. The sooner we get down to common sense and get rid of the OPA, and let God's laws function without human interference, the sooner we will have peace and prosperity in our beloved Nation.

Mr. O'HARA. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. O'HARA. Mr. Chairman, during the life of the OPA I have not been one to condemn or make statements about their multitudinous mistakes and inefficiency, as some may have been inclined

to do. However, in considering what the OPA has been doing in this country, I have concluded I shall never vote to continue OPA unless it is so restricted that we know definitely what its jurisdiction is and limit it as to its existence.

The little businessman considers OPA as the greatest bunch of snoopers and officious meddlers that could have been created, taking peculiar delight in harassing the businessman rather than helping him. It has been charged to be the darling of the CIO and the "pinks" and the "punks" of this country, and I believe it is doing more to destroy American economy than any other combination of circumstances we have to meet. As far as I am concerned the quicker it is terminated the quicker we get back to reconversion, the quicker we get back to a normal stability in this country. But we are not going to get them out of there until such time as we start cutting off their appropriations.

I support heartily the amendment which is offered to cut down this appropriation.

I have had some experience in dealing with them. For instance a little company started out in my district to make trailers. I do not recall the exact cost of those trailers with tires and all, but finally when it got down to the point of getting a price from the OPA, the only thing they would allow them a price on was the cost of the tires, nothing at all for the steel and other work on the trailer.

My greatest criticism of OPA is when they have made some ridiculous, destructive ruling. They pay no attention whatever to the testimony of people who have been in the particular industry all their lives, whom they summon before it, who explain the way it operates; yet this agency never gets around to correcting obvious mistakes. It has run more people out of business than any other cause in the past 5 years; and as far as I am concerned I refuse from now on to vote further OPA appropriations, at this time.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The Chair regrets to inform the gentleman that time has been fixed.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that I may yield to the gentleman from Massachusetts the time allotted to me.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McCORMACK. I thank the gentleman from Texas very much.

The CHAIRMAN. The gentleman from Massachusetts is recognized for 5 minutes.

Mr. McCORMACK. Mr. Chairman, the last two speeches we have heard ought to convey to the people of this country just what the situation will be in the near future when the extension of OPA comes up.

Price-control legislation during the war, with all of its mistakes, rendered valuable service to our country and to our people. Price-control legislation of

necessity is an emergency matter and must be arbitrary in its nature because it is the product of conditions brought about by the war at a time when we were responding to the law of the jungle or, in milder language, self-preservation, when we were fighting for our very existence as a country, a time when we simply could not have this constant pyramiding of prices and have satisfactory conditions existing at home while our country was engaged in war.

Furthermore, price-control legislation saved our country many billions of dollars in expenditures. If it had not been for price-control legislation the very munitions of war we manufactured to help preserve our country and to defeat the enemy would have cost billions of dollars more. Furthermore, the cost of living for the average person, the person of the middle class, the poor—and there are a lot of poor people still left in this country—the people with fixed incomes, would have been considerably higher than it has been to date.

As I say, the two speeches we have just heard are a forecast of what is to come, and the people of this country might just as well realize what is going to take place when the extension of OPA comes up in this House and the other body.

The OPA has performed a very valuable service. They have made mistakes, yes. There should be constructive criticism and I will continue to constructively criticize. Should it be a part of our normal economy? No. It has no place there, but it was necessary in the emergency that existed throughout the war and it is necessary now in the emergency which confronts our people for at least a reasonable period in the future. Unless something is done to control prices the same situation will exist after controls are taken off that existed after Armistice Day in World War I when the average cost of living for the first year after the termination of the war increased over 75 percent within a period of 1 year. The cost of living increased on an average of well over 75 percent. The same situation will exist unless we do something at this time.

Mr. Chairman, the country might just as well realize now what is going to happen. We have heard some of these speeches already, and I respect the views of those who may be in disagreement with me. Those gentlemen have honestly spoken their views and I thoroughly respect their views though they may be in disagreement with mine. I respect those gentlemen personally; however, my views disagree with theirs, not as to whether this law should be a part of our national economy under normal conditions, because I agree with them on that. I disagree with them on the conditions that exist at the present time which justifies, in the national interest, extension of the OPA law for some little time.

So far as striking this item is concerned, let me say, Mr. Chairman, as I understand it, the principal purpose of this appropriation is to meet the black market situation. Whether one believes in the OPA or not, whether one agrees it should be extended or not, it is in existence and will be until June 30. Every one of us, whether we agree that the

OPA law should be in existence or not, and it will be with us at least until June 30 this year, does not want to see black-marketing go on. That is brought about by the unjustifiable and criminal selfishness of individuals; therefore none of us want to see black market operations continue. The main purpose of this appropriation is to try to meet the black-market situation that exists, whether one feels that the law should be in existence or not, and, as I say, it is here until June 30.

Let us vote to keep this amount in because its primary purpose is to try to get at that enemy of society who engages in black-market operations under the conditions which exist today making the people of the country pay much higher for their food than they should under the price ceilings. So whether one agrees with the law or not, so far as this amendment to strike out is concerned, I respectfully submit that the purpose of it is to meet the black-market situation. So let us vote for this appropriation and defeat the motion to strike it out.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

The Chair recognizes the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Chairman, I trust the Committee will not underrate the disastrous effect of the adoption of the pending amendment. It is difficult to conceive of anything which would strike more disastrously at our national economy than to agree to this amendment at this critical time.

The gentlemen on the other side who have spoken in favor of this amendment and urged the immediate liquidation of OPA have been ringing the fire-alarm bell on OPA ever since it was established.

Of course, in the very nature of the situation, OPA has not been perfect at all times. It was something entirely new. We had no blueprints. We had to start from the beginning. We had to employ untrained and inexperienced personnel. We had to combat the ruffled exasperation of a great people accustomed to do what they wanted to do when they wanted to do it. Notwithstanding these heavy handicaps, the fact is that to December 1 last the OPA had saved the housewives of this country \$66,000,000,000. Without OPA they would have had to pay that much more for what they actually bought. For example, just a short while ago we took OPA control off of some immaterial items like coconuts and citrus fruits. Immediately the price of coconuts jumped 400 percent and the price of citrus fruits skyrocketed so precipitously that a ceiling had to be reinstated. Although we did everything we could in the last World War to hold prices down, sugar sold for as high as 35 cents a pound. Today it sells for a little over 6 cents per pound.

Nylon hose were mentioned just now. If you should lift the ceiling on nylons tomorrow morning, what do you suppose a pair would cost by night? The sky would be the limit.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Texas.

Mr. PATMAN. Is it not a fact that we would be breaking faith with the veterans of this war, when we offer them so much money as mustering-out pay and for disability, if we depreciate the value of that money immediately? Would we not to that extent be breaking faith with them?

Mr. CANNON of Missouri. Unquestionably. Let us consider that situation for a moment.

Let me read you part of a letter I received in this morning's mail:

I was recently honorably discharged from the Navy after 2 years of service. Eighteen months was sea duty riding the "sub" lanes. When I arrived home I found my landlord had raised my rent 50 percent, now another increase in rent is being made. I will be paying 125 percent more rent than I did a year ago. I have a wife and two small children and the new landlord does not want children. We are desperate for a roof over our heads and thousands of other exservicemen are in the same predicament we are in.

Mr. Chairman, the great need of the times is housing. Unless we keep down the prices of building material, of lumber, and steel, and unless we keep down the price of everything that goes into houses and its furnishings, these veterans are going to go without a decent habitation and their children will be raised under conditions which no American family should be required to experience. It is incredible that we should loose all of these restraints at a critical time like this. It is impossible to predict the result—to visualize the effect—of such a short-sighted policy, but we can get some faint idea of what the result would be by noting conditions abroad where OPA or its equivalent has failed to operate.

I was in France a few weeks ago and visited the markets in Paris. It took \$20 in good American money to buy an ordinary dinner. A pair of shoes, second-hand, cost \$160 in United States currency. I saw a woman pay \$18 worth of francs for a chicken—and it was not much of a chicken at that. The woman who sold the chicken claimed that the cost of feed was so high she lost money in the fowl. Mr. Chairman, this is what we have been saved from here in America—and OPA has saved us, and is still saving us.

The lexicographers the other day at their annual meeting listed the 300 words most commonly in use. If they had heard the debates here this afternoon they would have included another word—the word "propaganda." About all that was talked about in connection with OPA for half an hour was propaganda. Do you know what they mean by propaganda? This law must necessarily be enforced through the influence of public sentiment, and public sentiment to be effective must be informed. This money which they have claimed is used for propaganda is the most important part of this appropriation. When people come in and ask questions there must be someone to answer their questions. This money provides that personnel. When complaints are received from consumers, producers, or middlemen, an employee visits them and explains the situation. In 9 out of every 10 cases the complaint is based on a misunderstanding and when the situation is explained everybody is satisfied.

Without this money that could not be done. Without this money OPA could not be enforced. Without this money OPA would have failed long ago and we would today be in the grip of uncontrolled inflation. The situation in France would not be a circumstance. If this money is being spent for propaganda then the money paid for text books in the public schools is being spent for propaganda. Both are being spent for education.

Mr. Chairman, there is no feature of reconversion so important as the control of inflation. And the support of OPA is the only means we have of combating it. To adopt this amendment is to open the doors to uncontrolled rises in the price of every necessity. There is an unprecedented supply of money and there is an unprecedented scarcity of goods—scarcity of everything from nylons to automobiles. Without OPA we would shortly have to be carrying our money around in a basket as they do in China today. I trust the amendment will be voted down.

The CHAIRMAN. The time of the gentleman from Missouri has expired. All time has expired.

The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 80, noes 93.

So the amendment was rejected.

Mr. CANNON of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CANNON of Missouri: On page 3, before line 1, insert the following:

"DEPARTMENT OF AGRICULTURE

"RURAL ELECTRIFICATION ADMINISTRATION

"Loans: For an additional amount, fiscal year 1946, for 'Loans', Rural Electrification Administration, \$100,000,000, which sum shall be borrowed from the Reconstruction Finance Corporation in accordance with the provisions of section 3 (a) of the Rural Electrification Act of 1936, as amended."

Mr. CANNON of Missouri. Mr. Chairman, this amendment is offered to provide an additional \$100,000,000 loan authorization to supply the needs of Rural Electrification for the balance of this fiscal year.

There are accumulating demands by the farmers of the country for this service. In 20 States loan funds have for all practical purposes been exhausted. There is now left only \$47,500,000 from authorized funds to cover the more than 290 applications on hand or in process of preparation. Included in this backlog are borrowers from 20 States, and this is the serious part of it, Mr. Chairman. The construction in these 20 States will be halted by the end of this coming March, and further construction cannot begin, unless additional funds are authorized for the current year.

These borrowers are from the following States: Arizona, Florida, Georgia, Indiana, Kansas, Louisiana, Michigan, Missouri, Montana, Nebraska, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Washington, and Wyoming.

Of course, in addition to the borrowers from these States there will be many

additional borrowers whose projects will be halted or curtailed before the end of the fiscal year unless this money can be provided.

There are applications on hand or in process totaling over \$78,751,000, from 192 cooperatives in 37 States who have received no allocations this year. The balance of this backlog is accounted for by borrowers in 36 States of the Union. This additional \$100,000,000 is requested to enable the REA to meet these urgent requests for loans during the present fiscal year in order that cooperatives may get under way with their plans.

There is no service which the Government has provided which has been financed under more advantageous terms to the Government. This service is not a gratuity. It is not a grant. Not a penny is being given away. It is a gilt-edged investment. Every dollar put in REA is being paid back—much of it before it is due. All of it will be paid back with interest.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to my colleague from Missouri.

Mr. ZIMMERMAN. May I say to my colleague from Missouri that I have received many letters in recent weeks about the urgent need of the farmers in my part of Missouri to get this great benefit which they are ready for. All they need is the money to go forward. As the gentleman has well said, this is not giving away money—it is the making of bona fide loans. These cooperatives are in splendid shape. They are paying back and will pay back every dollar of these loans. It seems to me this is one way in which we can serve the farmers of this country, and that is by giving them this appropriation.

Mr. CANNON of Missouri. The experience of the gentleman is the experience of practically every Member of Congress representing a rural district. We are receiving letters in every mail urging that this service be extended to areas which have not heretofore been served.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Nebraska.

Mr. STEFAN. Is the State of Nebraska mentioned in the list that the gentleman read?

Mr. CANNON of Missouri. Yes; Nebraska is one of the States in which construction will be reduced or discontinued next month if this money is not provided.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. Assuming that your amendment is adopted, what will the amount then be in total for this fiscal year for this agency?

Mr. CANNON of Missouri. Authority has already been given for borrowing \$200,000,000 from the RFC during the current fiscal year. The committee is advised that \$142,000,000 of this amount had been allocated as of December 31, 1945, leaving \$58,000,000 for allocation during the balance of this fiscal year to cover applications on hand and in proc-

ess of application amounting to more than \$200,000,000.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. CANNON of Missouri. The testimony is that only \$35,000,000 has been expended during the first half of this fiscal year out of all previous allocations, which exceed \$400,000,000. But they are not in a position to continue at this time to make allocations unless they are certain that they will have this amount of money. If this money is provided and is not needed, it will not be expended.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Iowa.

Mr. HOEVEN. I notice the State of Iowa is not listed among the States which the gentleman mentioned a while ago. Can the gentleman explain that?

Mr. CANNON of Missouri. Iowa is not listed in the first 21 States, but it is listed in the 36 States which will eventually be in need unless this money is provided.

Mr. HOEVEN. I know there are hundreds and hundreds of applications that cannot be taken care of, and I wonder in what position the State of Iowa would be.

Mr. CANNON of Missouri. This amendment would provide money which would prevent the discontinuance or the slackening of the program in Iowa.

Mr. HOEVEN. Does this give preference to the States named?

Mr. CANNON of Missouri. No; it gives no preference to any State. Under the amendment, all States of the Union are on precisely the same basis. The amendment provides the necessary funds for the maintenance, extension, and completion of the REA program of any State applying for it. With the extra \$100,000,000 here proposed, the rural electrification program of every section of the country can proceed without interruption.

Mr. HOEVEN. What is the purpose of listing those States prior to others?

Mr. CANNON of Missouri. Those States are listed which by the end of March would have to discontinue REA activities unless this money is provided. Other States would have to be discontinued later in the fiscal year.

Mr. HOEVEN. The State of Iowa is not being prejudiced by this amendment in any way?

Mr. CANNON of Missouri. On the contrary, the adoption of this amendment will insure the continuance of the work in Iowa as rapidly as supplies, labor, and materials are available.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. RANKIN. Along the lines suggested by the gentleman from Missouri [Mr. ZIMMERMAN] every dollar of this money comes back with interest. There have been millions of farm homes electrified since this program started 12

years ago. So far, I have never heard of a single farmer who has ever asked to have the electricity taken out of his home.

Today every Member of Congress who represents a rural district has letters piling up on his desk from farmers pleading for this service. I am delighted that the committee has brought in this deficiency appropriation bill because it is so badly needed at this time, and I congratulate the gentleman from Missouri [Mr. CANNON], the chairman of the committee, on this much needed amendment. He is rendering a great service to the farmers of the Nation.

Mr. CANNON of Missouri. The testimony is that already over \$97,000,000 have already been repaid and that the repayments include millions in excess of the schedule required in the amortization of the principal.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I am glad to yield.

Mr. RANKIN. May I say also that two cooperative associations in my district paid out long ago.

One of them paid out in 5 years; the other one paid out in 8 years. They are using their surplus money to extend their lines. Of course, whatever money they would borrow would be doubly secured. Every dollar that is spent on rural power lines adds from 10 to 50 dollars to the wealth of the country.

Mr. CANNON of Missouri. One of our great problems in reconversion is to make farm life attractive. The number of young men and women who are leaving the farm in the last 2 years is alarming and is becoming a national problem. Millions are deserting the farm. Something must be done to preserve the rural springs of life from which the dying populations of the cities must be constantly fed. Nothing contributes as much to the comfort, health, wealth, welfare, and attractiveness of the farm as does electric power, heat, and light.

And nothing will provide a market for the electrical appliance products of the city like that provided by rural electricity. The numbers employed in the factories producing refrigerators, vacuum cleaners, irons, light fixtures, radios, washing machines, sewing machines, and similar commodities will be increased immeasurably by REA.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Texas.

Mr. POAGE. There seems to be some misapprehension about the gentleman's statement. The gentleman has listed the States that are out of money.

Mr. CANNON of Missouri. States that will be out of money and must for that reason discontinue work in March.

Mr. POAGE. There are a great many more States that will shortly be out of money and a great many projects that will shortly close down if this appropriation is not made. Some Members are under the misunderstanding that this money will be made available for those States which the chairman has listed. This money is being made available to the Rural Electrification Administration

and will be available to every State in the Union and any project in the Union without limitation. Those are only States that are now shut down, and many more will be shut down shortly and this appropriation will take care of everybody—not simply those that were named.

Mr. CANNON of Missouri. I am glad to have the gentleman make that plain. Every State in the Union will be eventually affected unless this money is made available.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The Rural Electrification Administration program has strengthened and extended the American system which is based on private enterprise.

Mr. CANNON of Missouri. Beyond the peradventure of a doubt.

Mr. McCORMACK. The powers of Government are used and it is then for the benefit of private industry and private individuals and private capital.

Mr. CANNON of Missouri. Laissez faire.

Mr. RANKIN. Mr. Chairman, will the gentleman yield further?

Mr. CANNON of Missouri. With pleasure.

Mr. RANKIN. In that connection, let me say that nothing that has been done by this Government, at any time, has done more to strengthen individualism in this country than has this rural electrification program, which makes it possible for the farmer to live comfortably in his own home and to enjoy the comforts and conveniences of modern life and lift the drudgery from his shoulders as well as from the shoulders of his wife and children.

Mr. CANNON of Missouri. Mr. Chairman, I fully agree with the gentleman. This amendment brings health and happiness to the American farm. It opens a vast and profitable market to industry. It provides remunerative employment for labor. It affords increased educational opportunities to our children. It insures a greater, more prosperous, more independent, more progressive, more cultured America. I trust the amendment will have the support of the House.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from California is recognized.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto conclude in 30 minutes, not to infringe on the time of the gentleman who now has the floor.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HINSHAW. Mr. Chairman, in listening to the distinguished gentleman from Missouri [Mr. CANNON] I am afraid there may have been some misapprehen-

sion of the facts received by those who listened to him.

Actually, the only thing that the REA is running out of is authorizations. We have already authorized to them for loaning this year, in the fiscal year 1946, \$200,000,000. As the gentleman from Missouri stated, \$142,000,000 have already been allocated to new projects. There is no possibility whatsoever of any of the projects which have been allocated and approved running out of money. Insofar as the various States are concerned, the only restriction there is upon them at the present time is the amount of money that may be left available for new, heretofore unauthorized, unallocated projects.

There is nothing in the world to stop projects that are already in process and authorized. No one need have any fear whatsoever that any project presently authorized and allocated will not receive the full amount of the allocation.

The Subcommittee of the House Committee on Interstate and Foreign Commerce of which the distinguished occupant of the chair at the present time, the gentleman from Arkansas [Mr. HARRIS] is chairman, the Subcommittee on Federal Power, has for some time been considering certain bills, principally a bill by the distinguished gentleman from Texas [Mr. POAGE] to provide for additional allocations in the total of \$550,000,000. It would include all of the allocations made in the year 1946. The bill we are considering was introduced early last year. The committee has not yet reported on that bill.

There are a great many considerations and amendments to the law that might well be made in accordance, in part, with the terms of that bill and in part with the terms of the hearings the committee conducted. It is felt, I believe, that the committee will have a bill ready for presentation to the House before too long. We have been working hard and diligently. We have asked the Bureau of the Census to make reports, also, the Rural Electrification Administration to make reports, and the Edison Electrical Institute, on how many farms there are, how many are now receiving service, and how many remain to be served that can be reasonably served. We are having considerable difficulty in putting those three sets of figures together into one set of figures that can be believed, because there is wide variation between the figures submitted by the three sources. We are doing our utmost to prepare this; but in the meantime please understand that this additional amount proposed by the gentleman from Missouri is for additional allocation, for applications which may now or may hereafter be pending before the REA. It will in nowise interfere with the construction of projects already allocated in the various States.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Mississippi.

Mr. RANKIN. These projects that are already allocated for have been held up to a large extent because of want of materials, wires, poles, and transformers.

Mr. HINSHAW. Yes; but not for allocations.

Mr. RANKIN. Not for allocations. But now those materials are being made available and warm weather is coming; so you will see those funds expended and those lines constructed with great rapidity from now on.

Mr. HINSHAW. But those are from funds already allocated and this is a complete new sum to be made available for allocation. I just wanted the House to understand that it had no effect whatsoever on the present allocations, but only on allocations for the future.

Mr. RANKIN. But many allocations are now pending.

Mr. HINSHAW. There are many applications presently pending and it is presumed that those applications will come in in larger and larger volume as time goes on.

For my part I hope that rural America is electrified as soon as possible. On the other hand, you can appropriate, or allocate, \$500,000,000 for that matter right now and they could probably allocate the whole amount, but you could not get the material to start the work.

Mr. RANKIN. But we can get them within a few months.

The CHAIRMAN. The time of the gentleman from California has expired.

The gentleman from Wisconsin [Mr. HULL] is recognized for 5 minutes.

Mr. HULL. Mr. Chairman, I come from a section of the country in which we have had a large amount of rural electrification, but the demand for it grows constantly and I know of many projects in my district in which there is insistent demand that the lines be extended. In the past three and a half years it has been almost impossible to obtain the extension of many lines because of lack of material and lack of labor. Both are now becoming available and the pressure for the increase of allocations is growing.

It is true there may be before the Committee on Interstate and Foreign Commerce a bill that will award \$500,000,000 additional for rural electrification loans. This \$100,000,000 may be in addition to that amount, but there is no possibility of any waste or extravagance in making this appropriation asked for today because there will be none of this money spent, none of it will be obligated, unless it is actually required by the farmers who are in need of this service.

At this particular time we have a serious situation on the dairy farms in Wisconsin. Help is scarce. We are not getting back the labor which some people expected would come to us after the war. There is a shortage of butter, there is a great decline in the production of milk, and in consequence the farmers are looking more and more to rural electrification in order to enable them to carry on their dairy farms to increased production.

It seems to me the pending amendment should be adopted because I think it would be wise. Furthermore, I want to say it is one of the best expenditures which we can make. It will be expended for loans, all of which will be repaid with interest.

Mr. Chairman, this is not a proposition to buy \$70,000,000 worth of real estate

around New York City for the UNO. It is not that kind of a proposition at all. It is a proposition to lend funds for electrification of farms, just as we have been lending, and in furtherance of the same kind of policy we have adopted in the past to enable the farmers of America to carry on an increased production under the advantages of a modern system.

Mr. CARLSON. Mr. Chairman, will the gentleman yield?

Mr. HULL. I am pleased to yield to the gentleman from Kansas.

Mr. CARLSON. I thoroughly concur in the gentleman's remarks. This is a worth-while program and I sincerely hope the amendment will be adopted, so that we can get material to bring rural electrification to many more farm homes of this country.

Mr. HULL. I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. MURDOCK].

(Mr. MURDOCK asked and was given permission to revise and extend his remarks.)

Mr. MURDOCK. Mr. Chairman, the rural electrification program is one of the very best and most progressive programs that we have had in recent years. Looking forward into the future I am naturally interested in it from the standpoint of the whole West in connection with irrigation and reclamation, and I also am interested in extending electric power to the farm homes of America, in every nook and corner of this land east or west of the Mississippi River.

I do not know the real situation in other States concerning applications and need for REA, but I can say something with regard to my own State. We have in Arizona certain allotments already made. One project near my own home will take about half of the funds allotted for the State of Arizona. With the present funds available there are only two projects now possible until more money is provided which will take all of Arizona's allotments. Yet there are many other plans and projects being made for our State which will require additional allotments and funds. I want those additional funds made available for immediate use.

Mr. HARLESS of Arizona. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield to the gentleman from Arizona.

Mr. HARLESS of Arizona. I want to confirm what my colleague from Arizona has said regarding our State. We have reached our limit until further appropriations are made and I think that is true in many other districts. Unless this amendment is agreed to we are stymied in further progress with our rural electrification program.

Mr. MURDOCK. The gentleman means that in Arizona we have reached our limit with the present allotments?

Mr. HARLESS of Arizona. That is right.

Mr. MURDOCK. The two that are now proposed are only a beginning. There are at least two dozen necessary in the immediate future for the full development of that area.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. On my recent visit home during the holidays I found that a great number of farm homes were vacant. Men who had gone to defense plants to work and who enjoyed the benefits of electricity did not want to come back to a house that did not have electricity. It is only fair to the young people of our country who want to start a home to give them in the country the advantages of electricity that are enjoyed in our towns and in our cities where people do have these benefits.

Mr. MURDOCK. The gentleman is exactly right. It is not only a comfort and a luxury but it is a necessity now. All of us who want to improve rural America want better homes, well-lighted, even-heated, with all of the modern facilities of electric irons, vacuum cleaners, power-driven washers, and that sort of thing. That is what rural America can have and what rural America ought to have, especially for those who are returning after having sacrificed and saved America so that they and their loved ones might have the right kind of America in the future. This is a new phase of the American way of life which is now possible for the many.

Mr. LEMKE. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield to the gentleman from North Dakota.

Mr. LEMKE. I want to say that in my State we just about got started with rural electrification when the war started. Many of the boys who went into the armed forces are now returning and they are anxious to have this extension and the opportunity to have electricity in their homes after they have saved the world from dictatorship. They feel the time has come that their own Government should at least give them this opportunity. I have hundreds of letters in favor of the Poage bill and I am sure this is a drop in the right bucket along the same line.

Mr. MURDOCK. I was greatly shocked when the gentleman from Mississippi called my attention to the fact that prior to the war Japan had made greater progress in rural electrification than we had in America. I know that the same thing has been done in Europe before the war. Let us catch up and surpass all other nations. We have the brains, the capital, and the natural features to surpass all others. We ought to be ashamed of ourselves if we do not take and maintain leadership in rural electrification. I favor the Cannon amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. D'EWART].

Mr. D'EWART. Mr. Chairman, Montana is one of 21 States which have used already all the funds which REA is able to give them under its current budget. The Loans and Application Division of REA has requests for new developments and extensions of old developments in Montana which total more than \$5,000,000.

All of the funds available for Montana out of the \$200,000,000 REA budget for 1945 already have been allocated. The REA set aside \$6,026,600 for Montana, and a total of \$6,092,000 has been used for Montana, \$66,000 more than the original allocation.

Latest available figures for December 1, 1945, show that 3,375 miles have been energized and 8,288 customers are being served, a total of 27.1 percent of the farms of Montana.

When funds already set aside for various cooperatives but not yet used have been spent the REA estimates 6,508 miles will have been energized and a total of 14,833 customers will be receiving electricity.

Funds advanced to cooperatives and used up to November 30, 1945, totaled \$3,530,000. Additional funds which have been approved but have not yet been spent will make the total REA allotment to Montana \$7,536,598.

One of the principal requests is that of the new Hill Cooperative, No. 32, of Havre, with some 887 miles to be energized. They will need slightly more than \$1,000,000. All new cooperatives are given A priority, and will receive some money before money is given to the old cooperatives for expansion. It is estimated they will be given about half of what they need if the proposed deficiency appropriation is approved, and the remainder with the new fiscal year.

Beartooth Electric Cooperative, Inc., will get some of what it needs out of the deficiency appropriation. Another new cooperative is being organized this week in Carter, Custer, Powder River, and part of Rosebud Counties, with probable headquarters at Ekalaka, and if their papers are in order they too presumably would get some of the deficiency money.

The REA also is considering using some funds in Montana to purchase two generating plants in the northwestern section of the State which have been built by the power company and which are the only solution to the electrification program in that section, where farms are so widely scattered that they could not bear the cost without help of this kind.

(Mr. D'EWART asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Chairman, I sincerely hope the amendment offered by the gentleman from Missouri [Mr. CANNON], chairman of the Appropriations Committee, will be accepted. The Rural Electrification Administration is one of the most valuable of our Government agencies. Its work is helpful not only to farmers but people in all strata of our society. The REA has been stymied for 4 years. During the past 4 years of the war the REA has been unable to secure copper and other materials with which to build hundreds of thousands of miles of lines which are greatly needed. There is now the greatest demand for REA extension in the history of the Administration. Only 43 percent of our farms have been electrified. I hope to see the day when every farm will have electricity on it.

Electricity is necessary for the farm of today. Farmers are entitled to electricity not only for the benefit to them in the actual running of their farm but farmers are entitled to the conveniences that come from having electricity. We must make the farm attractive to the youth of today, and electricity adds greatly to the attraction. Many nations before the war had as many as 90 percent of their farms electrified, and this added much to the return from their soil. This authorization is absolutely necessary for the REA to make its plans for the future. The REA has a criteria of a certain number of electrical users per mile. Unless this authorization is granted this great backlog of extensions that should be made will go by the board.

In a few months copper and other materials are going to be available. If these lines can be built, think of the employment it is going to produce. It will give work not only in the actual building of the lines but in the factories where the copper wire and electric appliances are made. So approval of this amendment is not only in the interest of the farmer but also in the interest of the factory worker and industry.

Today I received a letter from the Volunteer Electric Cooperative, of Decatur, Tenn., saying that on the basis of present allotments they only had authority to complete 180 miles of line. This co-op has 600 additional miles signed up. These additional miles of line should be built. The same is true with every co-op all over the country.

It should be pointed out that actually there would be no financial loss if this authorization is granted. The RFC loans the money to the REA at 1½ percent; the REA loans the money to the co-ops at 2 percent. There has been no loss on previous loans. On this one the Government will eventually get the principal back plus interest. Let us enable these co-ops to get started. Let us help the farmers get the electricity they have been waiting for.

(Mr. KEFAUVER asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, it seems to me that possibly we should clear up one or two things in this discussion, because there seems to be some misunderstanding about some phases of this amendment. The chairman has stated very clearly, I think, but I want to restate, the fact that this amendment provides money which would be available to any rural electrification cooperative in the United States that needs it when the time arrives. It is not limited to the States listed by the chairman or in any printed list that anyone may have seen.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Texas.

Mr. MAHON. Actually, none of the money is earmarked for any State or any project.

Mr. POAGE. That is right. I took it upon myself to go up to the Speaker's

desk and read the amendment which very clearly provides, "Loans, for an additional amount, for the fiscal year 1946, for the Rural Electrification Administration," which means the Rural Electrification Administration in every State in the Union and not simply those that are listed. I want to repeat that and emphasize it, because there are those who represent States who know that your people will shortly be out of money, and when you do not find those States listed, you naturally become alarmed. Your States are taken care of in this amendment just the same as every other State.

Another matter that has been often misunderstood in regard to these rural electrification loans is the question as to why it should be necessary to make additional money available so long as the money has not all been spent that has been heretofore provided. The reason is that you cannot enter into contracts to build new lines until the money is authorized, until, first, you and I authorize the loan to the REA, and, second, the REA authorizes the loan to the local cooperative. Remember that this money comes first from the Reconstruction Finance Corporation, which borrows it from private agencies at 1 percent or less and loans it to the Rural Electrification Administration at 1½ percent. The Administration in turn loans it to the local cooperatives at 2 percent, a profit to the Government everytime this money is turned over. But until that money is actually available to the local cooperative, in the form of a definite allocation, the local cooperative cannot enter into construction contracts. You cannot buy wire, poles, and transformers in a short market with nothing better to offer than the hope that Congress will along next July provide the funds. Before any contractor is going to move onto a job, and before any supply house is going to put materials on a job, the local cooperative is going to have to show that it has already completed its loan and that the money is ready. It just will not get the job done to say that we think that we will be able to get the money before the work is done. That is exactly why there is still a rather large amount of unspent money that has been allocated to specific projects. The money must be allocated long before actual construction begins. The REA is out of funds from which future allocations can be made. Of course, I realize that there is more than \$40,000,000 which have not been allocated to any specific projects, but under the operation of the REA Act, there is always a large sum that simply cannot be allocated because the entire amount made available to REA is required to be divided among the States. Most States have used all the REA can let them have. There are, however, some States that never have used their share of the funds. They possibly will not ask for their share, but REA must keep it available for them. It cannot allocate this money to projects in other States.

In addition, it must also be remembered that until a cooperative has an actual allocation of funds, it simply cannot develop a well-planned construction program and cannot get the greatest ad-

vantage out of the money it has. It is for this reason that I offered the legislation to which the gentleman from California [Mr. HINSHAW] referred and which is now pending before the Committee on Interstate and Foreign Commerce. It is to enable these local cooperatives to develop a plan for some kind of orderly development of their territory. This proposition of requiring the REA and the local cooperatives to live from hand to mouth costs, in the long run, much more than it would cost to lay out a well-planned long-time program such as we give our highway program. We should have such a program, but we cannot wait. If we do not provide these funds now, construction is going to stop.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. The gentleman's bill, to which he refers as being before the Committee on Interstate and Foreign Commerce, is a good one. I commend the gentleman for sponsoring that legislation and hope it will be reported out by the committee.

Mr. POAGE. I thank the gentleman, but we need this \$100,000,000 now. We need this bill for long-time planning. Right now we need this money to stop a complete break.

Mr. LUTHER A. JOHNSON. I agree and will vote for the \$100,000,000 now.

Mr. ERVIN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from North Carolina.

Mr. ERVIN. Does not the gentleman think the appropriation to the REA could be decreased if the REA would abolish its asinine policy of denying contracts to contractors who sometimes do work for private utilities?

Mr. POAGE. I do not know of such a policy on the part of the REA. I know that our local cooperatives let the contracts to any contractor who can do the job and who will undertake it at a fair price. Of course, there are some contractors who think that they are too big to fool with little REA jobs, and unless we make this money available there will be a lot of contractors who will work for private utilities who can pay them who will not work for local REA cooperatives who will not be able to pay them. Possibly my people cannot pay as much money as the utilities in the gentleman's district, but if he knows of any reliable contractors who can make a good bond and who want to bid on rural lines, send them out. Our cooperatives would like to figure with them, and if they can save our farmers money we would like to do business with them.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I feel that I should tell the House just what this situation is and just what you are voting on. There have been appropriations to date of \$725,628,288 for this purpose. Out of this money there remains unallotted \$47,000,000, but there remains unexpended \$203,000,000; in other words, it has not been possible to expend the

funds that have been appropriated for this purpose because of the shortage of copper, poles, and labor, and the impossibility of getting priorities in the last 3 or 4 years for these things.

Giving rough figures, the amount of allotments in the month of September was \$19,000,000, in the month of October \$16,000,000, and in the months of November and December \$24,000,000 altogether, with \$47,000,000 remaining unallotted. One hundred million dollars would permit allocations at a very rapid and seemingly unnecessary rate, and would pile up a tremendous backlog which would take a very long time to fill. I am not opposed to reasonable operations by this agency but I do feel that you are going too far at this time and that you are asking for much more money than is good for this organization to have in a backlog. That is 10 times as much for 5 months as has been used for allotments on the average in any of the last 5 months. It seems to me it is going too far.

Mr. ZIMMERMAN. Along that line, may I call the attention of the gentleman to the fact that the rural-electrification program has been in effect long enough to sell the farmer of America on the benefits of that program. They are ready now to embrace the program. Why delay giving the farmers electricity and power which they so badly need?

Mr. TABER. You are not speeding up or stepping up the process of giving them electricity by giving this organization a very large backlog of funds which, if it allots the money to their projects, the projects cannot be embarked upon and put through.

Mr. SAVAGE. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman.

Mr. SAVAGE. I just want to comment on the gentleman's remarks that this is as much as has been spent in 5 years.

Mr. TABER. No, no; I did not say that.

Mr. SAVAGE. Well, whatever the time was, I want to point out that no materials have been available throughout the war period.

Mr. TABER. I was speaking about months.

Mr. SAVAGE. No materials have been available during the war and they could not expand.

Mr. TABER. Well, they are not now anyhow.

Mr. SAVAGE. They will be by the time we get started here. I know some of them are loosening up and they are beginning to build lines.

Mr. TABER. They have only spent \$35,000,000 in this fiscal year so far.

Mr. TRIMBLE. Mr. Chairman, it is my earnest hope that the amendment offered by the committee will be adopted. No greater boon has ever come to rural America than the Rural Electrification Administration. It is reaching into homes and brings light and power and progress. I am happy to support this amendment. We should not cease until electricity is put into every home in this land, besides every cent put in these projects comes back to the Government with interest. It is simply good business.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. It is very necessary that this amendment should be adopted.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield for a question?

Mr. RANKIN. I yield.

Mr. CASE of South Dakota. Is it possible for the Rural Electrification Administration to go ahead and make allocations on new applications unless they have this authority for additional funds?

Mr. RANKIN. No. That is the trouble. If we do not make this appropriation, the REA cannot make these allocations.

Let me say in reply to the distinguished gentleman from New York [Mr. TABER] that the Rural Electrification Administration has been stymied for about 4 years on account of the war. There is the greatest demand for rural power lines today that we have ever known in this country.

We only have about 43 or 44 percent of our farms in this country electrified now. I pointed out some time ago that 10 years ago Germany had 90 percent of her farms electrified, Japan had 90 percent, France 94 percent, Italy had 94 percent, and Holland and Switzerland had about 98 percent of their farms electrified, and New Zealand had about 65 percent of her farms electrified, whereas we had at that time only about 10 percent of our farms electrified.

In 1938, when we secured the first \$100,000,000 appropriation for REA, rural electrification really came to life. The farmers saw what it meant. There was the greatest demand for rural power that any country had ever seen up to that time. Rural electrification spread by leaps and bounds up until the war shut off materials.

You remember last year I led the fight here for \$120,000,000 for REA for this fiscal year, which, added to what we had, gave us \$200,000,000.

That money has all been allocated, and the farmers are begging for more. They need this extra \$100,000,000.

The gentleman from New York [Mr. TABER] is wrong when he states that materials will not be available. Why, today there are no materials being taken for war purposes. Plenty of aluminum and plenty of copper are now being produced. We have poles galore, and every crossting plant in America is ready, willing, and anxious to treat them. We have the greatest movement forward, not only in the REA, but in the improvement of rural homes in America generally, as a result of REA that this Nation has even known. I just want to refer to one project in my own district, in Alcorn County, Miss. Fourteen years ago they were paying 10 cents a kilowatt-hour for their electricity which the power company was buying at Muscle Shoals, just 50 miles away, at 2 mills a kilowatt-hour. At that time the farmers of the county got no electricity at all.

Then the Alcorn County Electric Power Association was organized. It not only included Corinth, the county seat, but the rural sections of the county as well. At that time the residential consumers

were using an average of about 42 kilowatt-hours a month. Now they are using 227 kilowatt-hours a month on an average, and the average cost to them is 1.16 cents a kilowatt-hour.

They are using the same power from the Tennessee River the power company was supplying them 14 years ago. While the power company was buying this power from the Government at Muscle Shoals at less than 2 mills a kilowatt-hour wholesale and selling it to them at an average of 10 cents a kilowatt-hour, the Alcorn County Association is now buying this same power at 4.3 mills a kilowatt-hour wholesale and selling it to them at an average of 1.16 cents a kilowatt-hour.

They paid out their association in 5 years and have used their surplus income to extend their lines.

Not a single one of these cooperative power associations will default if we will give them time and encourage them. Now, since the war is over and materials are made available, it would be a great mistake not to provide this extra \$100,000,000 which Mr. Wickard, Administrator of the REA, says it needs and which the Bureau of the Budget has approved.

Mr. LYNDON B. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. LYNDON B. JOHNSON. In a small area in central Texas we have two REA cooperatives serving the Tenth Congressional District. We have more than 10,000 farmer members in those cooperatives. They are years ahead with their loan payments. We have 10,000 farmers who live in that same area without electricity because the war cut off the material supply. They have put the money up for their membership fee. Today they are applying for a loan, from the REA but they cannot get \$1. There will not be 1 mile of line built in that large fertile area of central Texas unless this amendment is adopted.

Mr. RANKIN. And that applies to almost every other congressional district in the United States. The same condition prevails in certain areas in my own district. This money will do more to relieve drudgery on the farm, to make the farm home more attractive, and to increase the farmer's profits and improve his living conditions than anything else we have ever undertaken.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. HINSHAW. In connection with the statement of the gentleman from Texas [Mr. LYNDON B. JOHNSON], he should qualify his statement by saying that not any more work will be done between now and July 1, when all of the present allocations are expected to be used, and the allocation for 1947 have not yet been made and the appropriations have not been made.

Mr. RANKIN. But, surely, if a member votes against this appropriation he would vote against the appropriation for 1947.

This is an emergency and this money is badly needed.

This amendment should be adopted. Let us extend these rural power lines to reach every farmhouse in America that

can be reached by the tax collector in times of peace or by the draft in times of war.

In other words, let us electrify every farm home in America—at rates the farmers can afford to pay.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that at this point in the RECORD the gentleman from Texas [Mr. LYLE] and the gentleman from Texas [Mr. COMBS] may extend their remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

[Mr. LYLE addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. COMBS. Mr. Chairman, I desire to speak briefly in support of the amendment for the authorization of \$100,000,000 for rural electrification. These funds are urgently needed and must be provided immediately for the great rural electrification program if it is to continue without delay. Throughout the Nation many thousands of farmers are awaiting the extension of electrical services to them. In today's mail I had letters from three farmers from three different parts of my own district stating that they have had in their application for service for a number of months and that services cannot be extended to them and many of their neighbors until additional funds are available. The great work the Rural Electrification Administration is doing for the rural people of this Nation has been well stated by several of the speakers who have preceded me. I desire to add here a few facts in regard to what has already been accomplished by the three rural electrification cooperatives which serve the 11 counties in eastern Texas which I have the honor to represent.

The Deep East Texas Cooperative with headquarters in San Augustine, Tex., has 700 miles of lines serving more than 2,500 consumers. Two hundred and sixty-five thousand dollars was allocated for the year of 1945. A heavy construction program is now under way and an application for additional funds for extending its services is pending. The Sam Houston Cooperative, with headquarters at Livingston, Tex., has 500 miles of lines serving more than 1,200 consumers. Three hundred and thirty thousand dollars was allocated to it for the year 1945. It has an application pending for additional funds and is ready to go ahead with large construction plans. The Jasper-Newton Cooperative, with headquarters in Jasper, has 250 miles of lines serving more than 1,000 consumers. Two hundred and fifty thousand dollars were allocated to it for 1945. It has spent all available funds, and has application pending for additional funds. It has a good supply of materials and is ready to proceed in enlarging its services.

I am reliably informed that construction programs of these three cooperatives will result ultimately in carrying electrical service to a total of 20,000 people in the rural areas of eastern Texas, who would not be served except for the Rural Electrification program.

It should be remembered that the funds advanced by the Government for this great program are not expenditures; they are mere loans and every cent will in due course come back to the Treasury. The Rural Electrification cooperatives of my area are in healthy financial condition and every obligation to the Government has been met on time and they are accumulating substantial reserves. In my judgment, the Rural Electrification program is one of the most constructive and beneficial services rendered to the American people by our Government. It gives the benefits of electrical service to the rural areas and makes farm life more attractive, thus encouraging farm settlement and making it more and more desirable for our young people to settle down upon the land. To sum it up, and I must be brief, let me say that this authorization should be voted unanimously by this House. Surely no like expenditure that we could authorize will bring greater benefits, or serve more people.

Mr. LYNDON B. JOHNSON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

[Mr. LYNDON B. JOHNSON addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. RANKIN asked and was given permission to revise and extend his remarks.)

Mr. JOHNSON of Oklahoma. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I am sure it is unnecessary for me to add anything to what has been said in support of the committee amendment for a hundred million dollars as an emergency fund for the REA to carry it over until next July. Although there are a few who are opposed to this appropriation, just as there have been a few who opposed it from its very beginning, I feel sure the amendment will be adopted by an overwhelming vote of this House.

As a member of the deficiency subcommittee that heard the evidence in support of this appropriation, I simply want to say I am giving it my wholehearted support. In fact, I made the motion in the committee that the full amount of a hundred million dollars, as recommended by the Bureau of the Budget, be allowed. I am sure I am giving away no secrets of the committee when I say there is less opposition to REA today, so far as the Appropriations Committee is concerned, than there has ever been since the first appropriation was made.

It will be recalled that last year the subcommittee handling the regular appropriation for REA reduced the appropriation considerably below the Budget estimate. If I remember correctly, there

was a Budget estimate of \$160,000,000. The committee reduced the amount to \$120,000,000 because of a serious shortage of materials. Then the full committee, to the great surprise and disappointment of many of us, further reduced the amount—or attempted to do so—to \$50,000,000. At that time I gave notice I would offer an amendment to restore the amount to \$120,000,000, as recommended by the committee that heard the evidence. This I did, as will be shown on page 6962 of the CONGRESSIONAL RECORD of June 27 last, and the same RECORD further shows there were only 29 votes cast against my amendment in the House to restore the full \$50,000,000.

I recite this record to remind Members that the amount appropriated last year was still \$40,000,000 below the Budget estimate and over \$80,000,000 below what the REA stated it would be possible for them to operate on during the current year. So those who are familiar with the history of REA, of its needs and the fact that it did not receive the full amount requested last year, although the demand for additional REA lines and the extension of them is far greater than then anticipated, were not at all surprised when Mr. Wickard told the Appropriations Committee yesterday that he would need a minimum of \$100,000,000 to continue the REA program until July 1. Mr. Wickard also advised the committee that of the 800 REA co-operatives in the country that applications for 297 of them cannot be considered until additional funds are forthcoming. Another statement made by the former Secretary of Agriculture, who I am glad to say is doing a splendid job as head of the REA, was that there are 21 States whose present loans have been entirely exhausted or allocated, with an urgent need for extensions in all of them. So to say that there is no need for the funds as proposed in the pending committee amendment, is, of course, absurd. Another interesting statement of Mr. Wickard's before our committee, which I am glad to say is backed by the record, is that these REA loans have been repaid in a remarkably fine way; in fact many such loans are paid far ahead of schedule.

We have just gone through a terrible World War in which we have paid dearly in lives of the flower of American manhood. Of course, no money can possibly begin to repay for the loss of these heroic men who gave their all for what we have been pleased to call the American way of life. Millions of these fine clean-cut young men who put on the uniform came from the farm homes of America and the least we can do is to make life a little easier and a little more pleasant on the farm for those who are now returning, their parents, wives, and children, and for children yet unborn. Within the next few days we will be called upon to make a loan to Great Britain in the sum of more than \$4,000,000,000. We have spent millions of dollars to rehabilitate war-torn Europe. Surely, we can do no less for the farmers of America who, after all, must feed the world, than for those across the seas. Let us vote for the full \$100,000,000 today and thus make the American way of living richer, fuller, and happier. Let us

continue these appropriations as they are needed and further expand rural electrification until every farmer in the country who wants cheap electricity and who is willing to pay for it, is given the opportunity that he so richly deserves.

The CHAIRMAN. The gentleman from Texas [Mr. MAHON] is recognized to close the debate.

Mr. MAHON. Mr. Chairman, I thank the able chairman of the committee for permitting me to make the final remarks in support of this important amendment—the amendment providing \$100,000,000 in additional loan authorizations for the Rural Electrification Administration. I compliment the gentleman from Missouri [Mr. CANNON], chairman of the Committee on Appropriations, for having offered this amendment. I discussed such an amendment 2 days ago at a meeting of the Committee on Appropriations. But at that time no hearing had been held on the amendment. Yesterday, however, Mr. Wickard appeared before the deficiency subcommittee on behalf of REA, and I think prompt action today will meet with wide approval.

There is good reason why the REA is such an important thing with the city people and the country people of America. It is a popular program because it costs the Government very little money and because it does the people so much good. It does the people in the cities so much good, because it puts industry to work. It puts labor to work. Just think of the pay-roll increases in the industrial cities of America that have been brought about by the electrical equipment that has gone into 4 out of every 10 rural homes—the homes that have been electrified under this program. Just think of the employment that has been offered, the profits that have been made, the happiness that the industrial worker in the city has gotten out of his own labor, and out of the consciousness in his own heart that he has helped promote the happiness of rural America. Yes; it takes a vast quantity of electrical gadgets and equipment to supply the needs of REA customers on the farms.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. LUTHER A. JOHNSON. Will it not also help solve the housing problem? So many people are leaving the farms because of lack of convenience, and moving to the cities.

Mr. MAHON. The gentleman is correct. In some portions of the country there is housing available, when it is not available in the city areas.

If we turn on the electric lights in the rural areas, we will make that life more attractive. As the gentleman knows, through victory in this war we stopped the blackouts and we turned on the lights all over the world. So why should we not continue now with this program of rural electrification and turn on the lights throughout the countryside of America? Think of the happiness, comfort, and convenience that the program is bringing and will bring. The job is not quite half done. Let us complete it now, within the next 3 or 4 years, if possible.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the distinguished gentleman from Minnesota.

Mr. GALLAGHER. If this rural electrification is carried out, what effect will it have on the production on the farm?

Mr. MAHON. Rural electrification means much to the production of the farms, and not only that, it means much in the preservation of the things that are produced. This is true because it makes possible modern methods of refrigeration. If we are interested in public health, then we are interested in the REA because it promotes sanitation and greater efficiency in the handling of foodstuffs.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. RANKIN. It is impossible to operate a grade A dairy without electricity. It is having that effect where this power is taken. It is not only increasing dairy production, but it enables farmers to operate grade A dairies and get the milk out.

Mr. MAHON. I think we want, then, to bear this in mind: Here is our opportunity, and to me it is a golden opportunity, to vote for a measure that in the long run is not going to cost the taxpayer any money. We are not only doing that, we are saving money in this particular, because if we do not get this money by March 1, in a number of the States REA co-ops are going to have to shut down their construction programs and tell their engineers to go away and come back another day. That is going to cost additional money on the projects. That would mean waste. So, by giving this even flow and permitting the co-ops to know what they can do we are going to bring about economy in the program as well as give aid to agriculture and the farmers.

The benefits of this amendment will not be confined to any State or group of States. It will be helpful to Texas; it will be helpful to Illinois; it will be helpful to States north, south, east, and west.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. RANKIN. I have been asked how far we expect to go with rural electrification and I always answer: We expect to reach every house the tax collector reaches and we expect to reach every home that is reached by the draft in time of war.

Mr. MAHON. It is the program of this administration to reach all of rural America at the earliest possible date.

The CHAIRMAN. The time of the gentleman from Texas has expired.

All time has expired.

The question is on the amendment offered by the gentleman from Missouri.

The amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. CANNON of Missouri. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be

agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. SPARKMAN) having resumed the chair, Mr. HARRIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5458) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment?

If not, the Chair will put them en grosse.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. HENRY. Mr. Speaker, I move to recommit the bill.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. HENRY. Mr. Speaker, I am in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. HENRY moves to recommit the bill to the Committee on Appropriations with instructions to report the same back forthwith with the following amendment:

Page 2, strike out lines 20 to 24, inclusive.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. HENRY) there were—ayes 67, noes 78.

Mr. KNUTSON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

Mr. PATMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. PATMAN. Mr. Speaker, the motion eliminates part of the bill. Is that the OPA appropriation?

Mr. TABER. Mr. Speaker, a point of order. That is not a parliamentary inquiry.

Mr. RANKIN. Mr. Speaker, may we have the motion again reported so that we will know what we are voting on?

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk again reported the motion to recommit.

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent that the lines

stricken from the bill by this motion be read to the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read as follows:

Page 2, line 20:

"OFFICE OF PRICE ADMINISTRATION

"Salaries and expenses: For an additional amount, fiscal year 1946, for 'Salaries and expenses', including the objects specified under this head in the Second Deficiency Appropriation Act, 1946, \$1,854,000."

The SPEAKER pro tempore. The Clerk will call the roll.

The question was taken; and there were—yeas 108, nays 185, not voting 137, as follows:

[Roll No. 23]

YEAS—108

Allen, Ill.	Graham	Michener
Andersen,	Griffiths	Miller, Nebr.
H. Carl	Gwynne, Iowa	Murray, Wis.
Anderson, Calif.	Hagen	Norblad
Arends	Hall	O'Hara
Auchincloss	Edwin Arthur	O'Konski
Barrett, Wyo.	Hancock	Phillips
Bates, Mass.	Hand	Pittenger
Beall	Hébert	Plumley
Brehm	Henry	Rankin
Brown, Ohio	Hess	Reed, Ill.
Brumbaugh	Heven	Rees, Kans.
Buck	Holmes, Wash.	Robertson,
Byrnes, Wis.	Horan	N. Dak.
Carlson	Howell	Robison, Ky.
Chaperfield	Jenkins	Rockwell
Church	Jennings	Rodgers, Pa.
Clason	Jensen	Roe, Md.
Clevenger	Johnson, Ind.	Rogers, Mass.
Clippinger	Jones	Schwabe, Okla.
Cole, Kans.	Jonkman	Scrivner
Cole, Mo.	Kearney	Sharp
Corbett	Kiazer	Simpson, Ill.
Cunningham	Knutson	Smith, Ohio
Curtis	Landis	Smith, Wis.
D'Ewart	Latham	Springer
Dolliver	LeCompte	Stockman
Dworshak	LePevre	Sundstrom
Ellis	Lemke	Taber
Ellsworth	Lewis	Talle
Elston	McConnell	Thomas, N. J.
Fenton	McGregor	Tibbott
Gerlach	McMillen, Ill.	Vorys, Ohio
Gifford	Martin, Iowa	Wadsworth
Gillespie	Martin, Mass.	Welch
Gillette	Mason	Wigglesworth
Gille	Mathews	Woodruff

NAYS—185

Abernethy	Daughton, Va.	Hart
Allen, La.	De Lacy	Havenner
Almond	Delaney	Hays
Andrews, Ala.	John J.	Healy
Bailey	Domengeaux	Herter
Baldwin, N. Y.	Douglas, Ill.	Heseltun
Barrett, Pa.	Doyle	Hinshaw
Bates, Ky.	Drewry	Hobbs
Beckworth	Durham	Hoch
Bell	Earthman	Hollifield
Biemiller	Eberharter	Hope
Blackney	Elliott	Hull
Bland	Engel, Mich.	Izac
Bloom	Engle, Calif.	Jackson
Boren	Ervin	Jarman
Boykin	Fallon	Johnson, Calif.
Brooks	Feighan	Johnson,
Brown, Ga.	Fernandez	Luther A.
Bryson	Flannagan	Johnson,
Bulwinkle	Fogarty	Lyndon B.
Bunker	Folger	Johnson, Okla.
Burch	Forand	Kean
Burgin	Fulton	Kee
Camp	Gallagher	Kefauver
Canfield	Gary	Kilday
Cannon, Mo.	Geelan	King
Case, N. J.	Gibson	Kirwan
Chapman	Gordon	Kopplemann
Chelf	Gorski	Lanham
Clark	Gossett	Lea
Clements	Granahan	Link
Cochran	Granger	Ludlow
Coffee	Grant, Ala.	Lyle
Colmer	Green	McCormack
Combs	Gregory	McDonough
Cooley	Hale	McGlinchey
Cooper	Hare	McMillan, S. C.
Cravens	Harless, Ariz.	Madden
D'Alesandro	Harris	Mañón

Maloney	Price, Ill.	Spence
Manasco	Priest	Starkey
Mansfield,	Rabaut	Stefan
Mont.	Rains	Stevenson
Mansfield, Tex.	Randolph	Stewart
Miller, Calif.	Resa	Stigler
Mills	Richards	Sullivan
Morgan	Riley	Tarver
Mundt	Rivers	Thomason
Murdoch	Robertson, Va.	Tolan
Murphy	Robinson, Utah	Traynor
Murray, Tenn.	Rogers, Fla.	Trimble
Neely	Rooney	Vinson
Norrell	Rowan	Voorhis, Calif.
O'Brien, Ill.	Russell	Weaver
O'Brien, Mich.	Ryder	Welch
O'Neal	Sabath	White
O'Toole	Sasscer	Whitten
Patman	Savage	Whittington
Patrick	Sheppard	Wickersham
Peterson, Ga.	Slaughter	Winstead
Pickett	Smith, Maine	Wood
Poage	Somers, N. Y.	Woodhouse
Price, Fla.	Sparkman	Zimmerman

NOT VOTING—137

Adams	Fuller	Norton
Andresen,	Gamble	Outland
August H.	Gardner	Pace
Andrews, N. Y.	Gathings	Patterson
Angell	Gavin	Peterson, Fla.
Arnold	Gearhart	Pfeifer
Baldwin, Md.	Goodwin	Philbin
Barden	Gore	Ploeser
Barry	Grant, Ind.	Powell
Bender	Gross	Quinn, N. Y.
Bennet, N. Y.	Gwinn, N. Y.	Rabin
Bennett, Mo.	Hall	Ramey
Bishop	Leonard W.	Rayfiel
Bolton	Halleck	Reece, Tenn.
Bonner	Harness, Ind.	Reed, N. Y.
Bradley, Mich.	Hartley	Rich
Bradley, Pa.	Hedrick	Rizley
Buckley	Heffernan	Roe, N. Y.
Buffett	Hendricks	Rogers, N. Y.
Butler	Hill	Sadowski
Byrne, N. Y.	Hoffman	Schwabe, Mo.
Campbell	Holmes, Mass.	Shafer
Cannon, Fla.	Hook	Sheridan
Carnahan	Huber	Short
Case, S. Dak.	Johnson, Ill.	Sikes
Celler	Judd	Simpson, Pa.
Chenoweth	Keefe	Smith, Va.
Cole, N. Y.	Kelley, Pa.	Snyder
Courtney	Kelly, Ill.	Sumner, Ill.
Cox	Keogh	Summers, Tex.
Crawford	Kerr	Talbot
Crosser	Killburn	Taylor
Curley	Kunkel	Thom
Davis	LaFollette	Thomas, Tex.
Dawson	Lane	Torrens
Delaney	Larcade	Towe
James J.	Lesinski	Vursell
Dingell	Luce	Walter
Dirksen	Lynch	Wasielewski
Dondero	McCowan	West
Doughton, N. C.	McGehee	Wilson
Douglas, Calif.	McKenzie	Winter
Eaton	Marcantonio	Wolcott
Elsaesser	May	Wolfenden, Pa.
Fellows	Morrow	Wolverton, N. J.
Fisher	Monroney	Worley
Flood	Morrison	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Short for, with Mr. Morrison against.
 Mr. Reed of New York for, with Mr. Sheridan against.
 Mr. Bennett of Missouri for, with Mr. Keogh against.
 Mr. Hartley for, with Mr. Pfeifer against.
 Mr. Ploeser for, with Mrs. Luce against.
 Mr. McCowan for, with Mr. Davis against.
 Mr. Schwabe of Missouri for, with Mr. Outland against.
 Mr. Campbell for, with Mr. Worley against.
 Mr. Eaton for, with Mr. Patterson against.
 Mr. Towe for, with Mr. Wasielewski against.
 Mr. Larcade for, with Mr. Dingell against.
 Mr. Dondero for, with Mrs. Douglas of California against.
 Mr. Elsaesser for, with Mr. Barry against.
 Mr. Halleck for, with Mr. Roe of New York against.
 Mr. Taylor for, with Mr. Heffernan against.
 Mr. Bishop for, with Mr. Courtney against.
 Mr. Gamble for, with Mr. Gore against.
 Mr. Buffett for, with Mr. Rayfiel against.

General pairs until further notice:

Mr. Cox with Mr. Johnson of Illinois.
 Mr. Barden with Mr. Keefe.
 Mr. Hendricks with Mr. Hill.
 Mrs. Norton with Mr. Bender.
 Mr. James J. Delaney with Mr. Hoffman.
 Mr. Kelley of Pennsylvania with Mr. Ramey.
 Mr. Gathings with Mrs. Bolton.
 Mr. Hook with Mr. Arnold.
 Mr. Kerr with Mr. Bradley of Michigan.
 Mr. Lynch with Mr. Chenoweth.
 Mr. May with Mr. Dirksen.
 Mr. Summers of Texas with Mr. Cole of New York.
 Mr. Walter with Mr. Fellows.
 Mr. Byrne of New York with Mr. Goodwin.
 Mr. Bradley of Pennsylvania with Mr. Fuller.
 Mr. Crosser with Mr. Harness of Indiana.
 Mr. Thomas of Texas with Mr. Grant of Indiana.
 Mr. Celler with Mr. Holmes of Massachusetts.
 Mr. Rabin with Mr. Judd.
 Mr. Smith of Virginia with Mr. Rizley.
 Mr. Quinn of New York with Mr. Shafer.
 Mr. Monroney with Mr. Wolcott.
 Mr. Powell with Mr. Wolverton of New Jersey.
 Mr. Doughton of North Carolina with Mr. August H. Andresen.
 Mr. Lane with Mr. Wolfenden of Pennsylvania.
 Mr. Pace with Mr. Adams.
 Mr. Baldwin and Mr. Johnson of California changed their vote from "aye" to "no."
 Mr. O'Konski changed his vote from "no" to "aye."
 The result of the vote was announced as above recorded.
 The SPEAKER pro tempore. The question is on the passage of the bill.
 The bill was passed.
 A motion to reconsider was laid on the table.
 GENERAL LEAVE TO EXTEND REMARKS
 Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the bill just passed may have 5 legislative days in which to extend their remarks on the bill.
 The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

EXTENSION OF REMARKS

Mr. WHITE asked and was given permission to extend his remarks in the RECORD in three instances.

Mr. WHITE. Mr. Speaker, I have an extension of remarks with an estimated cost of \$156. I ask unanimous consent that I may be permitted to extend this matter in the RECORD notwithstanding the cost.

The SPEAKER pro tempore. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

[The matter referred to appears in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent that on Tuesday next after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

EXTENSION OF REMARKS

Mr. KEFAUVER. Mr. Speaker, I secured unanimous consent to extend my remarks and include an article from the Foreign Service Journal. I am informed by the Public Printer that will exceed 2 pages of the RECORD and will cost \$173, but I ask that it be printed notwithstanding that fact.

The SPEAKER pro tempore. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

[The matter referred to appears in the Appendix.]

Mrs. DOUGLAS of California (at the request of Mr. MILLER of California) was given permission to extend her remarks in the Appendix of the RECORD and include a magazine article.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. HAGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject Winds Can Be Harnessed for Electric Power on Farms. I am informed by the Public Printer that this will exceed 2 pages of the RECORD and will cost \$130, but I ask that it be printed notwithstanding that fact.

The SPEAKER pro tempore. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. WEICHEL (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD and include a discussion upon the subject, An Approach to Moral Justice.

Mr. LEMKE asked and was given permission to extend his remarks in the RECORD and include a letter addressed to the President by former Congressman Coffey, of Nebraska.

Mr. DE LACY asked and was given permission to extend his remarks in the RECORD in two instances, and include a letter from five correspondents and part of an article from the New Republic, and also to include considerable discussion of a question relating to the Philippine Islands by his friend, Mr. Rajo.

Mr. LYNDON B. JOHNSON asked and was given permission to extend his remarks in the RECORD and include a speech by Walter Rolfe, of the University of Texas.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include therein part of an address delivered by our former colleague, Mr. Ramspeck; and also to quote from an editorial.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD in two instances; to include in one an editorial and in the other a newspaper article.

Mr. FULTON asked and was given permission to extend his remarks in the RECORD and include a letter from Capt. George S. Urichinich, winner of the Congressional Medal of Honor.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD on the subject Aged Entitled to Pension, Not a Dole, and include an article appearing in the Townsend National Weekly.

PERMISSION TO ADDRESS THE HOUSE

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent that on Tuesday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 1 hour on the subject Take-Home Pay to American Agriculture.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1947

Mr. LUDLOW. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 5452) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1947, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Indiana.

The question was taken; and on a division (demanded by Mr. COCHRAN) there were—ayes 103, no 1.

Mr. COCHRAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] One hundred and seventy-four Members present; not a quorum.

Mr. WHITE. Mr. Speaker, I move that the House do now adjourn.

The question was taken; and on a division (demanded by Mr. WHITE) there were—ayes 31, noes 103.

So the motion was rejected.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Indiana [Mr. LUDLOW].

The Doorkeeper will close the doors, the Sergeant-at-Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 243, nays 16, not voting 171, as follows:

[Roll No. 24]

YEAS—243

Abernethy	Arends	Blackney
Allen, Ill.	Auchincloss	Boren
Allen, La.	Barrett, Pa.	Brooks
Almond	Barrett, Wyo.	Brown, Ga.
Andersen,	Bates, Mass.	Brown, Ohio
H. Carl	Beall	Brumbaugh
Anderson, Calif.	Beckworth	Bryson
Andrews, Ala.	Biemiller	Buck
Angell	Bishop	Buffett

Bulwinkle	Havenner	O'Toole
Canfield	Hays	Pace
Cannon, Mo.	Healy	Peterson, Ga.
Carlson	Henry	Pickett
Case, N. J.	Heselton	Pittenger
Chapman	Hess	Plumley
Chelf	Hill	Poage
Chipperfield	Hobbs	Price, Fla.
Church	Hoch	Price, Ill.
Clason	Hoeven	Priest
Clements	Holmes, Wash.	Rabaut
Clippingier	Hope	Rains
Coffee	Howell	Randolph
Cole, Kans.	Hull	Rankin
Cole, Mo.	Izac	Reed, Ill.
Colmer	Jackson	Rees, Kans.
Combs	Jarman	Resa
Cooley	Jenkins	Richards
Cooper	Jensen	Riley
Corbett	Johnson, Calif.	Rivers
Cox	Johnson, Ind.	Robertson,
Cravens	Johnson,	N. Dak.
Cunningham	Luther A.	Robinson, Utah
Curtis	Johnson,	Robson, Ky.
D'Alesandro	Lyndon B.	Rockwell
Daughton, Va.	Johnson, Okla.	Rodgers, Pa.
De Lacy	Jones	Roe, Md.
Delaney,	Jonkman	Rogers, Fla.
John J.	Kean	Rogers, Mass.
D'Ewart	Kee	Rooney
Dirksen	Kilday	Rowan
Dolliver	Kinzer	Russell
Domengeaux	Kirwan	Ryter
Dondero	Kopplemann	Sasscer
Douglas, Ill.	Landis	Savage
Doyle	Lanham	Schwabe, Okla.
Dworshak	Latham	Sclvner
Eartman	Lea	Sharp
Eberharter	LeCompte	Sheppard
Elliott	LeFevre	Simpson, Ill.
Ellis	Lemke	Slaughter
Ellsworth	Lewis	Smith, Maine
Engel, Mich.	Link	Smith, Wis.
Ervin	Ludlow	Sparkman
Fallon	Lyle	Spence
Feighan	McConnell	Springer
Fenton	McCormack	Starkey
Fernandez	McDonough	Stefan
Fogarty	McGehee	Stevenson
Forand	McGlinchey	Stigler
Fulton	McGregor	Stockman
Gerlach	McMillan, S. C.	Sundstrom
Gifford	McMillen, Ill.	Taber
Gillette	Madden	Talle
Gillie	Mahon	Tarver
Gordon	Maloney	Thomas, N. J.
Gorski	Manasco	Thomason
Gossett	Mansfield, Tex.	Tibbott
Graham	Martin, Iowa	Tolan
Granahan	Martin, Mass.	Trimble
Grant, Ala.	Mathews	Vinson
Green	Michener	Voorhis, Calif.
Gregory	Miller, Calif.	Vorys, Ohio
Gwinn, N. Y.	Miller, Nebr.	Vursell
Gwynne, Iowa	Mills	Welchel
Hagen	Morgan	West
Hall,	Mundt	Whitten
Edwin Arthur	Murdock	Whittington
Hancock	Murray, Tenn.	Wickersham
Hand	Murray, Wis.	Wigglesworth
Hare	O'Brien, Ill.	Winstead
Harless, Ariz.	O'Hara	Wood
Harris	O'Konski	Woodhouse
Hart	O'Neal	Woodruff

NAYS—16

Bell	Geelan	Mansfield,
Bland	Gillespie	Mont.
Bunker	Granger	Somers, N. Y.
Cochran	Hale	Sullivan
Engle, Calif.	Hollifield	White
Folger	Kling	

NOT VOTING—171

Adams	Buckley	Dawson
Andresen,	Burch	Delaney,
August H.	Burgin	James J.
Andrews, N. Y.	Butler	Dingell
Arnold	Byrne, N. Y.	Doughton, N. C.
Bailey	Byrnes, Wis.	Douglas, Calif.
Baldwin, Md.	Camp	Drewry
Baldwin, N. Y.	Campbell	Durham
Barden	Cannon, Fla.	Eaton
Barry	Carnahan	Elsaesser
Bates, Ky.	Case, S. Dak.	Elston
Bender	Celler	Fellows
Bennett, N. Y.	Chenoweth	Fisher
Bennett, Mo.	Clark	Flannagan
Bloom	Clevenger	Flood
Bolton	Cole, N. Y.	Fuller
Bonner	Courtney	Gallagher
Boykin	Crawford	Gamble
Bradley, Mich.	Crosser	Gardner
Bradley, Pa.	Curley	Gary
Brehm	Davis	Gathings

Gavin	LaFollette	Rizley
Gearhart	Lane	Robertson, Va.
Gibson	Larcade	Roe, N. Y.
Goodwin	Lesinski	Rogers, N. Y.
Gore	Luce	Sabath
Grant, Ind.	Lynch	Sadowski
Griffiths	McCowan	Schwabe, Mo.
Gross	McKenzie	Shafer
Hall,	Marcantonio	Sheridan
Leonard W.	Mason	Short
Halleck	May	Sikes
Harness, Ind.	Merrow	Simpson, Pa.
Hartley	Monroney	Smith, Ohio
Hébert	Morrison	Smith, Va.
Hedrick	Murphy	Snyder
Heffernan	Neely	Stewart
Hendricks	Norblad	Sumner, Ill.
Herter	Norrell	Summers, Tex.
Hinshaw	Norton	Talbot
Hoffman	O'Brien, Mich.	Taylor
Holmes, Mass.	Outland	Thom
Hook	Patman	Thomas, Tex.
Horan	Patrick	Torrens
Huber	Patterson	Towe
Jennings	Peterson, Fla.	Traynor
Johnson, Ill.	Pfeifer	Wadsworth
Judd	Philbin	Walter
Kearney	Phillips	Wasielowski
Keefe	Ploeser	Weaver
Kefauver	Powell	Welch
Kelley, Pa.	Quinn, N. Y.	Wilson
Kelly, Ill.	Rabin	Winter
Keogh	Ramey	Wolcott
Kerr	Rayfiel	Wolffenden, Pa.
Kilburn	Reece, Tenn.	Wolverton, N. J.
Knutson	Reed, N. Y.	Worley
Kunkel	Rich	Zimmerman

So the motion was agreed to.

The Clerk announced the following pairs:

Additional general pairs:

Mr. Heffernan with Mr. Taylor.
 Mr. Morrison with Mr. Short.
 Mr. Sheridan with Mr. Reed of New York.
 Mr. Keogh with Mr. Bennett of Missouri.
 Mr. Pfeifer with Mr. Hartley.
 Mr. Dingell with Mr. Ploeser.
 Mr. Larcade with Mrs. Luce.
 Mr. Davis with Mr. McCowan.
 Mr. Outland with Mr. Schwabe of Missouri.
 Mr. Worley with Mr. Campbell.
 Mr. Patterson with Mr. Eaton.
 Mr. Wasielewski with Mr. Towe.
 Mrs. Douglas of California with Mr. Dondero.
 Mr. Barry with Mr. Elsaesser.
 Mr. Roe of New York with Mr. Halleck.
 Mr. Courtney with Mr. Bennet of New York.
 Mr. Gore with Mr. Gamble.
 Mr. Rayfiel with Mr. Butler.
 Mr. Clark with Mr. Elston.
 Mr. Baldwin of Maryland with Mr. Baldwin of New York.
 Mr. Burch with Mr. Horan.
 Mr. Flannagan with Mr. Crawford.
 Mr. Bates of Kentucky with Mr. Knutson.
 Mr. Drewry with Mr. Reece of Tennessee.
 Mr. Neely with Mr. Kilburn.
 Mr. McKenzie with Mr. Wadsworth.

The result of the vote was announced as above recorded.

The doors were opened.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union, with Mr. PRIEST in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the first paragraph of the bill had been read. The Clerk will continue the reading of the bill for amendment.

The Clerk read as follows:

FOREIGN FUNDS CONTROL

Foreign funds control: For all expenses necessary in carrying out the functions of the Secretary of the Treasury under sections 3 and 5 (b) of the act of October 6, 1917, as amended (50 U. S. C. (App.) 3, and 50 U. S. C. (Suppl. 1941) 5 (b)), and any proclamations, orders, regulations, or instructions issued thereunder; and in exercising fiscal, finan-

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United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 79th CONGRESS, SECOND SESSION

Vol. 92

WASHINGTON, FRIDAY, FEBRUARY 15, 1946

No. 26

Senate

(Legislative day of Friday, January 18, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, to the white altar of Thy grace in the brightness of this new morning, we come, bowing in our ignorance and weakness, praying for strength and wisdom to face with courage the somber specters that stalk the darkened earth. Guide us, O Thou great Jehovah, in these chaotic days as we seem to wander between two worlds, one dead, the world of force and ruthless competition; the other, a world of understanding and cooperation, powerless to be born until ancient feuds and fears are melted in the refining fires of a common concern and destiny for all mankind. That we may be the servants of Thy redemption, wilt Thou put Thy law in our inward parts and write it in our hearts, so turning statutes into songs. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, February 13, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On February 12, 1946:

S. 102. An act to amend section 2 (b) of the act entitled "An act extending the classified executive civil service of the United States," approved November 26, 1940, so as to provide for counting military service of certain employees of the legislative branch in determining the eligibility of such employees for civil-service status under such act;

S. 765. An act concerning the establishment of meteorological observation stations in the Arctic region of the Western Hemisphere, for the purpose of improving the weather forecasting service within the United States and on the civil international air transport routes from the United States;

S. 1545. An act to amend article 38 of the Articles for the Government of the Navy; and

S. 1631. An act to provide for the payment on a commuted basis of the costs of transportation of dependents of certain persons entitled to such transportation, and for other purposes.

On February 14, 1946:

S. 480. An act to authorize the sale of the allotment of Henry Keiser on the Crow Indian Reservation, Mont.;

S. 845. An act for the relief of Mabel Fowler;

S. 831. An act for the relief of James Alves Saucier;

S. 905. An act for the relief of Harold E. Bullock;

S. 991. An act for the relief of Mr. and Mrs. Marion M. Hill;

S. 1077. An act for the relief of Oscar S. Reed;

S. 1081. An act for the relief of Aftab Ali;

S. 1101. An act for the relief of the estate of Manuel Rose Lima;

S. 1142. An act for the relief of Florence Barrows;

S. 1158. An act for the relief of Winter Bros. Co.;

S. 1294. An act for the relief of Mr. and Mrs. Allan F. Walker;

S. 1296. An act for the relief of John A. Hatcher;

S. 1323. An act for the relief of the estate of William Carl Jones; and

S. 1338. An act for the relief of the legal guardian of Wayne Edward Wilson, a minor.

On February 15, 1946:

S. 1360. An act to compensate Benali El Oukil Boucheta, an inhabitant of French Morocco, for the wrongful death of his son, Mohamed Ben Boucheta Ben Ali El Oukil, near Marnia, Algeria, on September 30, 1944; and

S. 1448. An act for the relief of William Wilson Wurster.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5452. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1947, and for other purposes; and

H. R. 5458. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

ADDRESS BY THE SECRETARY OF STATE ON ANGLO-AMERICAN ECONOMIC AND FINANCIAL AGREEMENTS

Mr. AUSTIN. Mr. President, I am about to ask unanimous consent to have printed in the RECORD, following a brief statement by me, an address delivered by the Secretary of State concerning the extension of a line of credit to Great Britain, to be available during the 5 years ending December 31, 1951, aggregating three and three-quarter billions of dollars.

I favor approving this credit on the conditions stated in the financial agreement between the Governments of the United States and the United Kingdom, signed at Washington the 6th day of December 1945.

In omitting from this brief discussion many of the important considerations, I do not disregard their probity as reasons for establishing the economic arrangement which involves the credit by the United States.

For brevity, I mention only a few characteristics of the arrangement which seem to me to interest all political parties and which would place the legislation necessary for the credit in a nonpartisan status.

The welfare of the United States depends upon our ability to pay our national debt. This debt is so large that it constitutes a cloud upon the confidence and the hopeful effort of our people. Therefore, it is important to the attainment of a high level of employment and to our prosperity that we expand production in a degree that will give us a larger national income than would be possible if the outlets for our production should remain as they were in peacetime.

Expansion of both production and markets is necessary to the expeditious payment of our debt.

Such expansion depends materially upon removal or reduction of trade barriers, such as Britain's sterling area dollar pool and inter-imperial preferences and her lack of dollars which are necessary to restoration to even her prewar economic intercourse.

Before the war, the British people bought about one-fifth of all the goods

that were exported by all the other countries in world trade. They were our largest single customer. Without this credit, Britain's purchases cannot reach the old volume, much less an expanded volume.

Probably the most significant benefit of the agreement, from our point of view, is that which provides for participation in next summer's negotiations to support our proposals for the expansion of world trade and employment which were published last December.

Secretary Byrnes has stated in the address which I shall ask to have printed:

The British credit is a large investment undertaken to gain an ever larger objective. Without it, our efforts to construct an expanding world economy may well be frustrated. With it, we shall have won the support of a powerful ally in our efforts to break down those harmful economic practices which throttle trade, perpetuate poverty, engender ill will among nations, and sow the seeds of conflict.

Unless the British receive this loan of dollars from the United States, only one course will be open to them. They must buy what they need almost exclusively from the countries which normally buy equal or larger amounts from them. Or they must buy from countries which are willing to accept payment in pounds and spend the pounds for goods in Great Britain or in some other part of the sterling area.

There is reason to believe that the employment of this credit under the terms of the agreement would stimulate employment and production that will enable the United States to retire its debt expeditiously, and reconvert to a sound peacetime economy.

I ask unanimous consent to print in the RECORD, immediately following these remarks, the informative address delivered by the Secretary of State, the Honorable James F. Byrnes, before the Foreign Policy Association, Waldorf-Astoria Hotel, New York City, February 11, 1946, which was broadcast over the network of the American Broadcasting System.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Vermont?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman and ladies and gentlemen, I am honored by the invitation to speak to you this evening. The Foreign Policy Association has performed a great service to this country. It has persistently and effectively helped to impress upon all of us how closely the future of the United States is bound to the future of the world.

I am sure that had the members of this Association traveled to London last month as I did, they would have shared my deep satisfaction with what I saw and heard there. It was a happy privilege for me to declare to the General Assembly, on behalf of the Government and people of the United States, that we are wholeheartedly committed to the success of the United Nations.

The newspapers and the radio broadcasts have been filled with accounts of the disputes which have been aired these past weeks in the Security Council. Iran and Greece have been the subject of direct and frank debate, particularly between the representative of the Soviet Union and the representative of Great Britain. I cannot feel that the open discussion of these disagreements is cause for alarm. Quite the contrary. Open discussion has not prevented agreement with respect to the disputes over Iran and Greece.

Yet the public expression of these divergent viewpoints reminds us of the difficulties which stand in the way of wholehearted international cooperation. We may wish that these difficulties did not exist, but we will be ill-advised to ignore their stubborn presence.

I wish to talk to you this evening about one of the most important of these difficulties and about our plan for helping to remove it. The problem I have in mind is the economic and financial dilemma into which the war has plunged Great Britain. The partial solution I am thinking about is the Anglo-American economic and financial agreements.

In the course of the discussion and debate that these agreements have evoked, the nature of the problem facing Great Britain has become familiar to all of us.

Before the war, the British people bought about a fifth of all the goods that were exported by all the other countries in world trade. They were our largest single customer. They were the largest customer of many other countries. They paid in goods, in the income from their overseas investments, and in the earnings of their merchant fleet.

Now, as they emerge from the war in which they suffered so bitterly, their exports are down to about a third of what they were in 1939. Many of their plants producing goods for export have been bombed out of existence. Many foreign investments have been sold and foreign properties damaged or destroyed. Much of Britain's merchant fleet has been sunk.

The British borrowed heavily abroad. At the same time they sacrificed their export trade and converted their entire economy to war. Now, Britain must reconvert, and on a much larger scale than the United States. Britain must reconstruct, which we do not have to do.

But unless credit is extended to the British, they cannot purchase abroad the goods and equipment they need in order to reconvert and to reconstruct. Until this is done, Britain's purchases cannot reach the old volume, much less an expanded volume. Such a situation cannot cure itself. Yet it is essential for the economic health of the world that it be cured quickly.

No one imagines that the financial agreements alone will remedy this situation. Whether or not the Congress approves the agreement, the British people face a lean period that will continue for some years. But the financial agreements will permit the British to buy food and machinery and raw materials—the first things they need in the effort to restore their economy.

Here in the United States we are in mid-passage in our reconversion. Despite the pressure of events abroad, even a Secretary of State is aware of the storms that delay our passage. Certainly a Secretary of State who was formerly Director of War Mobilization is uncomfortably familiar with the thorny character of price and wage disputes.

But, as Secretary of State I suggest to you that when we have settled the industrial disputes and other problems that are crowding in on us so insistently, we shall become more keenly aware that our ultimate prosperity heavily depends upon whether the economy of the world is free or in chains.

The lawsuits which the Supreme Court is called upon to decide continue to reveal a variety of attempts by the several States to burden or restrict interstate commerce. These suggest that we have not fully learned our lesson even at home.

But no American seriously contends in this day and age that the prosperity of the wheat farmer of the Dakotas, the cotton grower of the Carolinas, or the market gardener of California is not directly linked to that of the miner in Pennsylvania and the manufacturer in New York.

We take for granted the interdependence of the national economy. The interdepend-

ence of the world economy is less apparent. But it is quite as real. Prosperity here and abroad requires the expansion both of production and of markets.

We know that we in the United States cannot reach and maintain the high level of employment we have set as our goal unless the outlets for our production are larger than they have ever been before in peacetime.

Thus Britain's difficulties in returning to normal economic intercourse are of direct concern to us. The economic agreements we have drafted to help meet those difficulties have several objectives.

We have acted first to settle the war account. Those who remember how the last war's debts haunted the world will welcome the expeditious disposal of this issue.

Our claims on Britain and Britain's claims on us for materials delivered under lend-lease and reverse lend-lease and consumed before VJ-day have been disposed of. The victory was the payment we sought for these goods.

But Britain will pay us for American surpluses remaining in the British Isles. A multitude of claims running both ways has been considered, a balance struck, and Britain has agreed to pay, with interest and over 50 years, the sum of \$650,000,000.

The provisions of the agreements which has commanded the greatest public attention is the extension of a line of credit to the United Kingdom totaling \$3,750,000,000. This credit may be drawn upon at any time from the date Congress approves the loan agreement until December 31, 1951. It will, of course, be used gradually.

The sums actually borrowed are to be repaid during the 50-year period beginning in 1951, with interest at 2 percent. The United Kingdom may request the United States to waive the collection of interest in any year in which British income from sales abroad and other sources is not enough to enable Great Britain to bring in imports at the average prewar level. This is a wise provision in a contract of such long duration. It is not the course of wisdom to insist on interest payments when world trade conditions may sometimes make such payments impossible.

That, briefly, is the loan. To a transaction of this magnitude it is quite natural that objections should be raised.

I have heard it said, for example, that the credit will contribute to inflation in this country. If a sum of this size were all to be drawn at once and spent for scarce consumers' goods, it would indeed be serious. But that will not occur. The British certainly will conserve the funds, drawing from them only as needed between now and 1951.

They will not spend it for consumer-manufactured goods because these goods they make themselves. They will spend it for what they must buy abroad—food and basic raw materials.

Some of the things they buy, for instance, cotton, already are in surplus in this country, and other items doubtless will be in surplus before 1951. We shall soon be glad of British markets for lard, apples, tobacco, and no doubt also for wheat after the present shortage has been relieved.

Some of the credit will be spent in other countries, especially in South America. These countries will thus acquire additional dollars which they can use for purchases here.

What the South Americans wish to buy from us is mainly capital equipment: Machine tools, Diesel engines, generators, and machinery of every kind. The war enormously expanded our productive capacity for equipment of this kind, and increased foreign orders will be warmly welcomed.

The pressure for inflation in this country is great. I would be the last to minimize the danger. But the answer lies primarily in speedy, large-scale production of the things of which we are short. Restricting the ability of foreign purchasers to buy the things we have in abundance only adds an additional handicap to our economy.

79TH CONGRESS
2D SESSION

H. R. 5458

IN THE SENATE OF THE UNITED STATES

FEBRUARY 15 (legislative day, JANUARY 18), 1946

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, to supply urgent
5 deficiencies in certain appropriations for the fiscal year ending
6 June 30, 1946, and for other purposes, namely:

LEGISLATIVE

HOUSE OF REPRESENTATIVES

9 For payment to the widow of Joe W. Ervin, late a
10 Representative from the State of North Carolina, \$10,000.

1 Contested-election expenses: For payment to George A.
2 Dondero, contestee, for expenses incurred in the contested-
3 election case of Hicks versus Dondero, as audited and recom-
4 mended by the Committee on Elections Numbered 3,
5 \$1,000, to be disbursed by the Clerk of the House.

6 EXECUTIVE OFFICE OF THE PRESIDENT

7 OFFICE FOR EMERGENCY MANAGEMENT

8 CIVILIAN PRODUCTION ADMINISTRATION

9 Salaries and expenses: For an additional amount, fiscal
10 year 1946, for "Salaries and expenses", Civilian Production
11 Administration, including the objects specified for the appro-
12 priation "Salaries and expenses, War Production Board", in
13 the National War Agencies Appropriation Act, 1946,
14 \$1,500,000, and the amount available for printing and bind-
15 ing is hereby decreased from "\$648,000" to "\$398,000".

16 OFFICE OF DEFENSE TRANSPORTATION

17 Salaries and expenses: For an additional amount, fiscal
18 year 1946, for "Salaries and expenses", including the objects
19 specified under this head in the National War Agencies Ap-
20 propriation Act, 1946, \$159,000.

21 OFFICE OF PRICE ADMINISTRATION

22 Salaries and expenses: For an additional amount, fiscal
23 year 1946, for "Salaries and expenses", including the objects
24 specified under this head in the Second Deficiency Appropri-
25 ation Act, 1946, \$1,854,000.

1 DEPARTMENT OF AGRICULTURE

2 RURAL ELECTRIFICATION ADMINISTRATION

3 Loans: For an additional amount, fiscal year 1946, for
4 “Loans”, Rural Electrification Administration, \$100,000,-
5 000, which sum shall be borrowed from the Reconstruction
6 Finance Corporation in accordance with the provisions of
7 section 3 (a) of the Rural Electrification Act of 1936, as
8 amended:

9 SEC. 2. This Act may be cited as the “Urgent Deficiency
10 Appropriation Act, 1946”.

 Passed the House of Representatives February 14, 1946.

Attest:

SOUTH TRIMBLE,

Clerk.

AN ACT

Making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

FEBRUARY 15 (legislative day, JANUARY 18), 1946

Read twice and referred to the Committee on
Appropriations

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued February 27, 1946, for actions of Mon. and Tues., Feb. 25, 26, 1946)

(For staff of the Department only)

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HIGHLIGHTS: Sen. Committee reported urgent deficiency appropriation bill (contains \$100,000,000 authorization for REA loans but restricts use). Senate Committee reported measure to authorize use of 1945-crop subsidies funds for 1946 programs. Received proposed increase in limitation for "conservation and use". Senate passed school-lunch bill; conferees appointed. Received nomination of Krug as Interior Secretary. House debated Patman housing bill (prices control, subsidies).

SENATE - February 25

NOT IN SESSION.

1. URGENT DEFICIENCY APPROPRIATION BILL, 1946. The Appropriations Committee reported with amendments this bill, H. R. 5458 (S. Rept. 990)(p. 1629).

The Committee retained the \$100,000,000 RFC borrowing authorization for rural-electrification loans but added the following proviso: "That no part of this fund shall be available to the Rural Electrification Administration for the making of any loan for the construction of a generating plant unless the Federal Power Commission shall first certify that there is not sufficient electric current available in the area concerned at reasonable rates."

Other Committee amendments: Reduced the OPA item from \$1,854,000 to \$927,000. Reduced the OPA item from \$1,500,000 to \$750,000. Inserted an authorization for the Senate (during the 79th Congress) to hire Government employees for folding speeches and pamphlets.

2. SUBSIDIES. The Banking and Currency Committee reported with amendments H. J. Res. 301 (S. Rept. 991)(p. 1629). As so reported, this measure permits the subsidy funds already authorized for the 1945 crop program operations to be used with respect to 1946 crop programs relating to sugar vegetables processed prior to July 1, 1946, and flaxseed harvested prior to that date. (The House version would permit the 1945 authorization to be used for any 1946 programs, but the Senate report indicates the Committee's belief that such a provision is too broad and that the general subsidies question should be considered separately.) The Senate Committee also added a provision increasing authorizations for the

RFC subsidies by \$125,000,000 for meat and \$25,000,000 for flour.

HOUSE - February 25

3. PMA APPROPRIATIONS. Received from the President a proposed provision to increase by \$600,000 the limitation on funds for administrative expenses, 1946, for conservation and use of agricultural land resources (H. Doc. 483)(p. 1627). These funds are to provide for the measurement of flue-cured tobacco acreage.
4. COUNTY FAIRS. Received a Pa. Association of County Fairs petition favoring the exempting from amusement tax of all admissions to fairs operated for the promotion of agriculture, horticulture, and domestic science (p. 1628).
5. HAWAII. The subcommittee of the Territories Committee submitted its report on questions and problems relating to Hawaii which contains data on farm acreage, farm production, etc. (Feb. 22)(H. Rept. 1620)(p. 1617).

SENATE - February 26

6. SCHOOL LUNCH PROGRAM. Passed with amendments H. R. 3370, the school lunch bill, with the language of S. 962, as amended, substituted therefor (pp. 1643-63).
Senate conferees appointed: Sens. Russell, Ellender, Bankhead, Capper, and Aiken (p. 1663).
Rejected amendments by Sen. Taft as follows: To decrease the annual authorization from \$100,000,000 to \$57,500,000 (the current appropriation), by a 21-50 vote (pp. 1658-61). To strike out the \$15,000,000 additional authorization for Office of Education, by a 25-47 vote (pp. 1661-3). Rejected an amendment by Sen. Donnell, Mo., to finance the program from a special fund to be set aside from revenues (Sen. Donnell claimed the bill is unconstitutional without such a provision)(pp. 1653-8).
7. INTERIOR NOMINATION. Received the nomination of J. A. Krug to be Secretary of the Interior (p. 1665).
8. PATENTS NOMINATION. Received the nomination of Thomas F. Murphy to be Assistant Commissioner of Patents (p. 1664).
9. MONOPOLIES. Sen. Morse, Oreg., inserted and discussed a letter from H. L. McCarthy stating that there is "great need of legislation to check the sinister growth of monopolies" (pp. 1664-5).
10. FOOD PRODUCTION; SOCIAL SECURITY. Received a Calif. Assembly memorial urging relaxation of social-security restrictions to permit recipients of benefits to produce food (pp. 1630-1).
11. LABOR SECRETARIAT. The Education and Labor Committee reported without amendment S. 1298, to establish an office of Under Secretary of Labor and three offices of Assistant Secretary of Labor and to abolish the existing offices of Assistant Secretary and Second Assistant Secretary (S. Rept. 993)(p. 1632).
12. PARKING FACILITIES. The D. C. Committee reported with amendments H. R. 4283, to require parking facilities for persons employed in Federal office buildings in D. C. (S. Rept. 996)(p. 1632).
13. PRICE CONTROL. Sen. Wiley, Wis., criticized administration of the Price Control Act. (pp. 1635-6).
Sen. Lucas, Ill., criticized the methods of OPA's enforcement operations (pp. 1637-41).



United States
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Congressional Record

PROCEEDINGS AND DEBATES OF THE 79th CONGRESS, SECOND SESSION

Vol. 92

WASHINGTON, TUESDAY, FEBRUARY 26, 1946

No. 33

Senate

(Legislative day of Friday, January 18, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Dr. Buford L. Nichols, of San Marcos, Tex., missionary to China under the Southern Baptist Foreign Mission Board, offered the following prayer:

Our Heavenly Father, we bow in humble gratitude for Thy grace and guidance in war and peace. For all the good that is in us, nationally and individually, we give Thee thanks; for all the evils among us, we bow in deep contrition. We pray for our President, the Congress, and all those in leadership responsibility throughout the Nation, for our men and women in the armed forces, and for those planning the peace and chartering the UNO. May industrial discord and social unrest give place to harmony and peace in our midst. Guide us, O God, as we seek in these days to reconstruct our economy, reconvert our industry, redeploy our manpower, and readjust our thinking. As we feel our way in international cooperation, grant unto us a place of noble service and worthy influence.

To that end, our Father, may Thy Holy Spirit permeate every area of our lives and Thy blessed truth dominate every phase of our thought. Grant us Thy pardon, purity, peace, and power. May the forces of righteousness ever find in our land the proper atmosphere and encouragement for growth and expansion. Through Jesus Christ our Lord, we pray. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, February 22, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On February 21, 1946:

S. 1405. An act to authorize the President to retire certain officers and enlisted men of

the Navy, Marine Corps, and Coast Guard, and for other purposes.

On February 25, 1946:

S. 50. An act to permit settlement of accounts of deceased officers and enlisted men of the Army, Navy, Marine Corps, and Coast Guard, and of deceased commissioned officers of the Public Health Service, without administration of estates.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. J. Buell Snyder, late a Representative from the State of Pennsylvania, and transmitted the resolutions of the House thereon.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on February 23, 1946, he presented to the President of the United States the following enrolled bills:

S. 323. An act for the relief of Thomas F. Gray;

S. 400. An act for the relief of Elisabeth Andersen;

S. 543. An act for the relief of Felix Frederickson;

S. 683. An act for the relief of Mrs. Marie Nepple, as executrix of the estate of Earl W. Nepple, deceased, and Mrs. Marie Nepple, individually;

S. 865. An act for the relief of the estate of Agnes J. Allberry;

S. 1084. An act for the relief of John C. May and Eva Jenkins May;

S. 1126. An act for the relief of Alice A. Murphy;

S. 1131. An act for the relief of Jess Hudson;

S. 1400. An act for the relief of Robert R. Rowe, Jr.;

S. 1423. An act for the relief of Charles L. Phillips;

S. 1588. An act for the relief of Mrs. Lona Wilson; and

S. 1618. An act to exempt the Navy Department from statutory prohibitions against the employment of noncitizens, and for other purposes.

REPORTS OF COMMITTEES FILED DURING THE RECESS

Under authority of the order of the 22d instant,

The following reports of committees were submitted on February 25, 1946:

By Mr. McKELLAR, from the Committee on Appropriations:

H. R. 5458. A bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes; with amendments (Rept. No. 990).

By Mr. BARKLEY, from the Committee on Banking and Currency:

H. J. Res. 31. Joint resolution to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes; with amendments (Rept. No. 991).

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Attorney General of the United States, transmitting, pursuant to law, a report stating all of the facts and pertinent provisions of law in the cases of 68 individuals whose deportation has been suspended for more than 6 months by the Commissioner of the Immigration and Naturalization Service under authority vested in the Attorney General, together with a statement of the reason for such suspension (with accompanying papers); to the Committee on Immigration.

TRANSPORTATION FOR PERSONNEL OF NAVAL ESTABLISHMENT AND NAVY CONTRACTORS

A letter from the Secretary of the Navy, transmitting, pursuant to law, a summarized report of adequate transportation to and from their places of employment for personnel attached to or employed by the naval establishment and Navy contractors (with an accompanying report); to the Committee on Naval Affairs.

REPORT OF SECURITIES AND EXCHANGE COMMISSION

A letter from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, the eleventh annual report of that Commission for the fiscal year ended June 30, 1945 (with an accompanying report); to the Committee on Banking and Currency.

AUTHORIZATION FOR VETERANS' ADMINISTRATION TO APPOINT AND EMPLOY CERTAIN RETIRED OFFICERS

A letter from the Administrator of the Veterans' Administration, transmitting a draft of proposed legislation to authorize the Veterans' Administration to appoint and employ retired officers without affecting their retired status, and for other purposes (with an accompanying paper); to the Committee on Finance.

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate petitions, etc., which were referred as indicated:

A joint resolution of the Legislature of the State of California; to the Committee on Claims:

"Senate Joint Resolution 6

"Joint resolution relative to a bill pending in the Congress providing for the relief of owners of gold mines affected by Federal regulation

"Whereas there is now pending in the Congress of the United States a bill introduced by Hon. CLAIR ENGLE, Representative from California, being designated as bill H. R. 4393; and

"Whereas said bill provides for relief to the owners of gold mines which were closed or had their production curtailed during World War II as the result of the issuance of War Production Board Limitation Order No. L-208, and provides that said owners may file claims for damage to their mines caused by cessation or curtailment of operation; and

"Whereas the gold-mining industry in the United States was largely shut down and rendered inoperative by reason of said Order No. L-208, and very little mining of gold was carried on in the mines of the country during the period of said war; and

"Whereas owing to the disuse of many of said mines and the period of time during which they have remained closed, a great many have become partially filled with water, and numerous cave-ins have resulted, and they have generally deteriorated to such extent that operation is impossible until extensive repair and rehabilitation work is performed; and

"Whereas the general rehabilitation of many gold mines will be so costly as to be prohibitive for the owners thereof and financial relief is necessary for this purpose; and

"Whereas for several generations the mining of gold has been one of our foremost industries in California and other Western States, contributing to the income and welfare of the people, and being the most important source of income for many communities. The product of these mines serves a very useful purpose in our industrial system and is necessary in a wide variety of businesses and crafts. The permanent disuse of such mines would adversely affect the economic well-being of the State and the country as a whole: Now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the Congress of the United States to provide relief for owners of gold mines which were damaged by the disuse resulting from the issuance of Regulation No. L-208, by the enactment into law of said bill H. R. 4393; and be it further

"Resolved, That the secretary of the senate be hereby directed to transmit copies of this resolution to the President of the United States, to the President pro tempore of the Senate, and the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Education and Labor:

"Senate Joint Resolution 5

"Joint resolution relative to memorializing the Secretary of Labor, the National Labor Relations Board, and the United States Conciliation Service, relative to the settlement of a jurisdictional labor dispute between the CIO Food, Tobacco, Agricultural, and Allied Workers' Union of America, and the American Federation of Labor Cannery Workers' Union, affiliated with the International Teamsters' Union

"Whereas there exists a jurisdictional labor dispute between the CIO Food, Tobacco, Agri-

cultural, and Allied Workers' Union of America and the American Federation of Labor Cannery Workers' Union, affiliated with the International Teamsters' Union, which dispute has caused strikes and work stoppages in the food-processing industry throughout California and which dispute threatens to cause further strikes and disputes in the food-processing industry; and

"Whereas no issue of wages, hours, or working conditions is involved in the dispute; and

"Whereas the members of these two contending unions supply the labor necessary for the processing and packing of California fruit and vegetables crops; and

"Whereas the State of California produces an annual fruit and vegetable pack of more than 1,000,000,000 cans of fruits and vegetables; and

"Whereas continued high production is vital and essential to meet world food shortages; and

"Whereas unless this jurisdictional labor dispute is settled in the immediate future it may endanger the food supply of the entire Nation and may result in irreparable loss to consumers, workers, growers, and processors alike not only in California or in the Nation, but throughout the entire world: Now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California, jointly, That the Secretary of Labor, the National Labor Relations Board, and the United States Conciliation Service be, and they are hereby, respectfully memorialized and requested to take all necessary steps immediately to settle the jurisdictional labor dispute now existing between the CIO Food, Tobacco, Agricultural, and Allied Workers' Union of America, and the American Federation of Labor Cannery Workers' Union, affiliated with the International Teamsters' Union, to the end that the danger of irreparable loss to the growers, packers, workers, and consumers of this Nation and the world may be averted; and be it further

"Resolved, That the secretary of the senate shall transmit copies of this resolution to the President pro tempore of the United States Senate, the Speaker of the House of Representatives, each Senator and Representative from California in the Congress of the United States, to Paul M. Herzog, Chairman of the National Labor Relations Board, and to Edgar L. Warren, Director of the United States Conciliation Service."

A joint resolution of the Legislature of the State of California to the Committee on Finance:

"Assembly Joint Resolution 8

"Joint resolution relative to amendment and extension of the Federal Social Security Act in respect to public assistance

"Whereas the Congress of the United States has, in the Social Security Act, provided for grants-in-aid to the States for public assistance to needy persons on a categorical basis, including therein grants for old-age assistance, aid to the blind, and to dependent children, and grants for other limited and specific purposes, but the categories do not cover the entire field of persons in need of public assistance, and no Federal provision for assistance is made in respect to residual categories; and

"Whereas major improvements in the provision and administration of public assistance within the past 10 years in respect to standards and amounts of aid have been made only in those fields in which the States have received Federal assistance, and which have been administered under the guidance and supervision of the Federal Social Security Board; and

"Whereas it is only in those fields in which State-wide uniformity has been achieved in respect to budgetary standards, application of rules of eligibility, rights of appeal, and like matters: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Congress and President of the United States are hereby memorialized and urged to enact such legislation as may be necessary to provide Federal assistance for, and to bring within the scope of the Federal Social Security Board, the entire field of public assistance to the needy, including assistance and maintenance for general hospitals, general relief, and aid to the deaf, physically handicapped and other categories of needy persons not presently receiving aid, on an equal matching basis with States and other political subdivisions, and to liberalize the provisions for assistance to categories of persons to whom aid now is provided so that the Federal assistance will amount to at least one-half of the aid provided, in all instances where the Federal assistance is now provided in a lesser amount; and be it further

"Resolved, That the chief clerk of the assembly be directed to transmit copies of this resolution to the President of the United States, the Presiding Officer of each of the Houses of Congress, and to each Senator and Representative from California in the Congress of the United States."

Two resolutions of the Assembly of the State of California; to the Committee on Finance:

"House Resolution 86

"Resolution relating to development of Alaska and amendment of Servicemen's Readjustment Act of 1944, extending benefits to veterans for Alaska homesteads

"Whereas Alaska is the approximate airway center of this continent to capitals of Europe and Asia; and

"Whereas the rapid development of worldwide air travel is accentuating its strategic position for national defense and commercial transportation; and

"Whereas it has vast natural resources to replace some of those depleted in the United States during the war; and

"Whereas only a few thousand acres are actually under cultivation contrasted with more than 1,000,000 acres suitable for farming and livestock raising; and

"Whereas it is the conviction of this Assembly that Alaska should be developed at the earliest possible date: Now, therefore, be it

"Resolved by the Assembly of the State of California, That the Assembly of the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to appropriate moneys necessary to build highways, harbors, railroads, and other facilities to develop the territory of Alaska; and be it further

"Resolved, That to provide employment for war veterans and encourage the migration to and development of Alaska, the Congress is urged to amend the Servicemen's Readjustment Act of 1944, as amended, to allow veterans of World War II, in lieu of receiving educational benefits under said act, to receive benefits in the same amounts for use in development of lands homesteaded by such veterans in the Territory of Alaska; and be it further

"Resolved, That the chief clerk of the assembly be hereby directed to transmit copies of this resolution to the President of the United States, the President pro tempore of the Senate, the Speaker of the House of Representatives, and the Senators and Representatives from California in the Congress of the United States."

"House Resolution 100

"Resolution relative to relaxation of social-security restrictions to permit recipients of aid to the aged to assist in the production of food to meet world needs

"Whereas there exists throughout the world a shortage of food so severe as to threaten widespread famine and starvation in many extensive and different areas; and

URGENT DEFICIENCY APPROPRIATION BILL, 1946

FEBRUARY 25, 1946.—Ordered to be printed

Mr. McKELLAR, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 5458]

The Committee on Appropriations, to whom was referred the bill (H. R. 5458) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House	\$3, 524, 000
Amount of reduction by Senate (net)	1, 590, 200

Amount of bill as reported to Senate	1, 933, 800
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The changes recommended in the amounts of the House bill, are as follows:

INCREASES AND LIMITATIONS

Senate:

Clerical assistance to Senators	\$76, 800
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It is recommended by the committee that the following paragraph relative to clerical assistance to Senators be added to the bill:

For an additional amount for clerical assistance to Senators (including chairman of standing committees) at the rate of \$2,400 per annum effective March 1, 1946, fiscal year 1946, \$76,800.

Folding speeches:

It is recommended by the committee that the following paragraph be added to the bill:

Notwithstanding the provisions of the Act of May 10, 1916, as amended by the Act of August 29, 1916, the Sergeant at Arms of the Senate is hereby authorized during the Seventy-ninth Congress to employ, whenever necessary, the services of Government employees for folding speeches and pamphlets at the prevailing rates provided by law.

House of Representatives:

Payment to the widow of the late J. Buell Snyder, Representative from the State of Pennsylvania-----	\$10, 000
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Total increase-----	86, 800
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DECREASES AND LIMITATIONS

Civilian Production Administration:

Salaries and expenses-----	750, 000
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Office of Price Administration:

Salaries and expenses-----	927, 000
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Department of Agriculture:

Rural Electrification Administration:

It is recommended by the committee that the following proviso be added to the bill:

: Provided, That no part of this fund shall be available to the Rural Electrification Administration for the making of any loan for the construction of a generating plant unless the Federal Power Commission shall first certify that there is not sufficient electric current available in the area concerned at reasonable rates

Total decrease-----	1, 677, 000
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Net decrease-----	1, 590, 200
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Amount of bill as reported to the Senate-----	1, 933, 800
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○

Calendar No. 999

79TH CONGRESS
2^D SESSION

H. R. 5458

[Report No. 990]

IN THE SENATE OF THE UNITED STATES

FEBRUARY 15 (legislative day, JANUARY 18), 1946

Read twice and referred to the Committee on Appropriations

FEBRUARY 25, 1946

Reported, under authority of the order of the Senate of February 22 (legislative day, January 18), 1946, by Mr. McKELLAR, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, to supply urgent
5 deficiencies in certain appropriations for the fiscal year ending
6 June 30, 1946, and for other purposes, namely:

LEGISLATIVE

SENATE

For an additional amount for clerical assistance to Senators (including chairmen of standing committees) at the rate of \$2,400 per annum, effective March 1, 1946, fiscal year 1946, \$76,800.

Notwithstanding the provisions of the Act of May 10, 1916, as amended by the Act of August 29, 1916, the Sergeant at Arms of the Senate is hereby authorized during the Seventy-ninth Congress to employ, whenever necessary, the services of Government employees for folding speeches and pamphlets at the prevailing rates provided by law.

HOUSE OF REPRESENTATIVES

For payment to the widow of Joe W. Ervin, late a Representative from the State of North Carolina, \$10,000.

For payment to the widow of J. Buell Snyder, late a Representative from the State of Pennsylvania, \$10,000.

Contested-election expenses: For payment to George A. Dondero, contestee, for expenses incurred in the contested-election case of Hicks versus Dondero, as audited and recommended by the Committee on Elections Numbered 3, \$1,000, to be disbursed by the Clerk of the House.

1 EXECUTIVE OFFICE OF THE PRESIDENT

2 OFFICE FOR EMERGENCY MANAGEMENT

3 CIVILIAN PRODUCTION ADMINISTRATION

4 Salaries and expenses: For an additional amount, fiscal
5 year 1946, for "Salaries and expenses", Civilian Production
6 Administration, including the objects specified for the appro-
7 priation "Salaries and expenses, War Production Board", in
8 the National War Agencies Appropriation Act, 1946,
9 ~~\$1,500,000~~ \$750,000, and the amount available for printing
10 and binding is hereby decreased from "\$648,000" to
11 ~~"\$398,000"~~ and the amount available for printing and
12 binding fixed at \$346,000 by the First Supplemental Sur-
13 plus Appropriation Rescission Act, 1946, is hereby increased
14 to \$372,000.

15 OFFICE OF DEFENSE TRANSPORTATION

16 Salaries and expenses: For an additional amount, fiscal
17 year 1946, for "Salaries and expenses", including the objects
18 specified under this head in the National War Agencies
19 Appropriation Act, 1946, \$159,000.

20 OFFICE OF PRICE ADMINISTRATION

21 Salaries and expenses: For an additional amount, fiscal
22 year 1946, for "Salaries and expenses", including the objects

1 specified under this head in the Second Deficiency Appro-
2 priation Act, 1946, ~~\$1,854,000~~ \$927,000.

3 DEPARTMENT OF AGRICULTURE

4 RURAL ELECTRIFICATION ADMINISTRATION

5 Loans: For an additional amount, fiscal year 1946, for
6 "Loans", Rural Electrification Administration, \$100,000,-
7 000, which sum shall be borrowed from the Reconstruction
8 Finance Corporation in accordance with the provisions of
9 section 3 (a) of the Rural Electrification Act of 1936, as
10 amended: *Provided, That no part of this fund shall be*
11 *available to the Rural Electrification Administration for*
12 *the making of any loan for the construction of a generating*
13 *plant unless the Federal Power Commission shall first certify*
14 *that there is not sufficient electric current available in the*
15 *area concerned at reasonable rates.*

16 SEC. 2. This Act may be cited as the "Urgent Deficiency
17 Appropriation Act, 1946".

Passed the House of Representatives February 14, 1946.

Attest:

SOUTH TRIMBLE,

Clerk.

79TH CONGRESS
2^D Session

H. R. 5458

[Report No. 990]

AN ACT

Making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

FEBRUARY 15 (legislative day, JANUARY 18), 1946
Read twice and referred to the Committee on
Appropriations

FEBRUARY 25, 1946
Reported with amendments

14. HOUSING. Passed without amendment S. 1821, to authorize appropriation of \$250,000,000 for emergency housing for veterans (pp. 1641-3).
15. URGENT DEFICIENCY APPROPRIATION BILL. This bill, H. R. 5458, was made the unfinished business (p. 1636).

House - February 26.

16. HOUSING. Began debate on H. R. 4761, the Patman housing bill to create a Director of Housing Stabilization with authority to formulate a national housing program, establish maximum sales prices for housing accommodations, allocate building materials, give preference to veterans in the purchase or renting of housing, and subsidize the construction of new low-cost housing (pp. 1684-1720).
During the debate, Rep. Patman, Tex., inserted a CPA statement of lumber exports, 1935-45 (pp. 1700-1), Reps. Monroney, Okla., and Ellsworth, Oreg., discussed lumber prices and the effect of subsidies on the lumber industry (p. 1711), and Rep. Crawford, Mich., announced that he intended to propose amendments to the bill to provide for housing in rural areas and for the construction and repair of essential farm buildings (p. 1717).
The Public Buildings and Grounds Committee reported with amendments, H.R. 5455, to amend the National Defense Housing Act of 1940 by authorizing funds for 100,000 additional temporary housing units for veterans and servicemen (H. Rept. 1652) (p. 1722).
17. MINIMUM WAGE. Received a Calif. Legislature memorial urging an increase in the national minimum wage structure (p. 1723).
18. ELECTRIFICATION. Received a Princeton, Mo. citizens' petition favoring H.R. 1742, to authorize additional appropriations and loan authorization for REA (p. 1723).

BILLS INTRODUCED

19. LABOR. H.R. 5570, by Rep. Hoffman, Mich., to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, to diminish unemployment, to establish a national policy for assuring continuing employment in a free competitive economy, and to protect the right to work (p. 1627.)
H.R. 5571, by Rep. Hoffman, Mich., to prevent interference with interstate or foreign commerce and to prevent interference with public utilities serving communities engaged in interstate and foreign commerce (p. 1627.)
H.R. 5583, by Rep. Miller, Calif., to amend section 3 of the Fair Labor Standards Act of 1938, as amended, with respect to the operation of certain hotels and inns (p. 1627.) To the Labor Committee.
20. RESEARCH. H.R. 5572, by Rep. Lemke, N. Dak., to prohibit experiments upon living dogs in the District of Columbia and providing a penalty for violation thereof (p. 1627.). To the District of Columbia Committee.
21. SURPLUS PROPERTY. H.R. 5576, by Rep. Rogers, Mass., a bill relating to veterans' priorities in purchasing surplus property suitable for residential purposes (p. 1627). To Expenditures in the Executive Departments Committee.
22. HOUSING. H.R. 5579, by Rep. Wolcott, Mich., to amend the National Housing Act by adding thereto a new title to provide for a housing expeditor and to define his powers, providing for the allocation of building materials for the construction of homes, providing for preference to veterans of World War II in the purchase or rental of housing accommodations, to amend title VI of the

National Housing Act. To Banking and Currency Committee. (p. 1627.)

23. FORESTRY: INSECT CONTROL. S. 1863, by Sen. Thomas, Okla., to provide for the protection of forests against destructive insects and diseases. To Agriculture and Forestry Committee. (p. 1632.)
24. COUNTY FAIRS. H.R. 5588, by Rep. Elliott, Calif., to exempt from the Federal amusement tax all admissions charged to fairs. To Ways and Means Committee. (p. 1723.)
25. FARM LABOR. H.R. 5592, by Rep. Outland, Calif., to amend certain provisions of the Social Security Act and the Internal Revenue Code in order to bring within the scope thereof industrial operations performed on agricultural commodities and to confine exemptions to farming and related activities. To Ways and Means Committee. (p. 1723.)
26. MINERALS. H.R. 5594, by Rep. Peterson, Fla., to reserve for the use of the United States all deposits of fissionable materials contained in the public lands. To Public Lands Committee. (p. 1723.)

ITEMS IN APPENDIX

27. LUMBER EXPORTS. Speech in the House by Rep. McCormack, Mass., calling attention to the facts on lumber exports and including Arthur Paul's (Assistant Secretary of Commerce) letter explaining that present exports are not a serious drain on our lumber supply (pp. A997-8).
Speech in the House by Rep. Springer, Ind., criticizing lumber exports in view of the housing shortage (p. A1003).
Rep. Talle, Iowa, inserted a State Department letter explaining the need for continued lumber exports and a National Retail Lumber Dealers Assn. letter opposing lumber exports and citing their reasons (pp. A1074-8).
28. PRICE CONTROL. Rep. White, Idaho, inserted a constituent's letter favoring the continuation of price control. (pp. A1001-2).
Rep. Hoffman, Mich., inserted a constituent's letter citing the price increases on certain foods since 1941 (pp. A1003-4).
Extension of remarks of Rep. Miller, Nebr., opposing the continuation of price control and the OPA (pp. A1044-5).
Extension of remarks of Rep. Pittenger, Minn., charging that the "OPA is ruining coffee industry" (p. A1045).
29. HOUSING. Extension of remarks of Rep. Monrenney, Okla., explaining two amendments he intends to propose to the Patman housing bill (p. A1028).
Rep. Hill, Colo., inserted Governor Vivian's (Colo.) letter to the Housing Expediter asking for release of building materials to enable private industry to construct housing (pp. A1031-2).
Rep. Forand, R.I., inserted a Pawtucket (R.I.) Real Estate Exchange letter opposing the Patman housing bill (p. A1033).
Rep. Ramey, Ohio, inserted a constituent's letter opposing the Wyatt housing plan and the Patman housing bill (p. A1043).
30. FARM PRICES: SUBSIDIES. Sen. Giffey, Pa., inserted a Phila. (Pa.) Evening Bulletin editorial stating that "Pennsylvania farmers have not benefited as much from Government subsidies as those in other sections" (p. A1009).

subject Should Congress Restrict the Right to Strike? participated in by him and by Herbert S. Thatcher, associate counsel, American Federation of Labor, which appears in the Appendix.]

SUGGESTION THAT APOSTLE ISLANDS BE MADE SEAT OF UNITED NATIONS

[Mr. WILEY asked and obtained leave to have printed in the RECORD an open letter to the United Nations Organization entitled "Why Not the Apostle Islands?" published in the Washburn (Wis.) Times of February 21, 1946, which appears in the Appendix.]

TRIBUTE TO DR. GEORGE WASHINGTON CARVER BY SENATOR GUFFEY

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an address delivered by him at a banquet in memory of the late Dr. George Washington Carver, held in Harrisburg, Pa., January 22, 1946, which appears in the Appendix.]

PENNSYLVANIA'S FARMERS—EDITORIAL FROM PHILADELPHIA EVENING BULLETIN

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an editorial entitled "Pennsylvania's Farmers" from the Philadelphia Evening Bulletin of January 24, 1946, which appears in the Appendix.]

JEWISH RELIEF—ADDRESS BY BERNARD M. BARUCH

[Mr. GEORGE asked and obtained leave to have printed in the RECORD an address on Jewish relief by Bernard M. Baruch delivered in New York February 25, 1946, which appears in the Appendix.]

THE SCHOOL-LUNCH PROGRAM—EDITORIAL FROM WASHINGTON POST

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an editorial entitled "School Lunches," published in the Washington Post of February 23, 1946, which appears in the Appendix.]

DEFECTS IN ADMINISTRATION OF PRICE CONTROL ACT

Mr. WILEY. Mr. President, I ask unanimous consent that I may address the Senate for not exceeding 5 minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

Mr. WILEY. Mr. President, OPA must go, or it must get some sense. Congress must not slip up on its obligation in this period. There appeared in the Washington Post under date of February 26 a paid-for editorial by James H. McGraw, Jr. This editorial might well be read by all Americans, because, in my opinion, it states the problem with which we are faced. The title of this editorial is The President's Wage Price Policy Won't Work, and under it are the following subtitles:

First. Past Government policy fostered dissension.

Second. New policy differs little from old.

Third. The danger of inflation is real.

Fourth. Controls must be consistent and progressively relaxed.

I indicated, Mr. President, that I agreed with the general philosophy of this editorial. Congress must take appropriate action to see that the extension asked for is not granted except upon such terms and conditions as will make sure that the power granted will be used with judgment and common sense.

On January 19, 1946, I wrote to Mr. Chester Bowles who at that time was Director of the Office of Price Administration. I ask that my letter be placed in the RECORD at this point in my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letter is as follows:

UNITED STATES SENATE,
COMMITTEE ON THE JUDICIARY,
January 19, 1946.

Hon. CHESTER BOWLES,
Office of Price Administration,
Washington, D. C.

DEAR Mr. BOWLES: I am writing to you as one who regards the danger of inflation as the greatest single menace facing our country today but I also believe that your agency has badly muddled the crucial job of preventing inflation.

It is with the hope that you will effect some improvement in the present set-up that I am writing this communication to you. Unless you do effect such improvement, you will leave little alternative to Congress when it ponders its decisions regarding your future appropriations and the possible extension of price controls beyond June 30.

To what do I object in your present set-up? My objections, based on personal experiences with OPA and on innumerable letters and telegrams which have come to me from my own and other States in addition to personal talks with our citizens, are as follows:

1. The nature of your personnel: I believe that there is no single agency in the history of our country which has created so many czars out of pipsqueak juveniles who have no understanding of the functions of a public servant. I believe that your organization would profit by 50-percent reduction consisting of persons in authority who have never met a pay roll and by their replacement with unpaid industry men who know and believe in private enterprise.

2. The nature of your organization: I believe that your organization has needless layer upon layer of bureaucratic superstructure. I see no apparent justification for your regional offices. I believe your local offices can be reduced 50 percent and still help do a constructive anti-inflation job.

3. The nature of your public directives: I believe your regulations are confusing and confounding, filled with incomprehensible abstractions and verbosity. I believe that your directives can be vastly reduced, simplified, and clarified.

4. The nature of your enforcement: I believe your Gestapo-like tactics and hirings have infuriated and provoked the American people, often to resort to black markets. Your enforcement staff and procedure should be rid of such individuals and methods. It should be greatly reduced in numbers. Such men as are assigned to it should have the fullest respect for the constitutional rights of the American citizen and faith in the inherent honesty and goodness of our people.

5. The guiding policy of your administration: I believe that your guiding policy is absolutely antithetical to the American system of private enterprise. By forcing companies to operate at a loss or at a negligible profit, you have been responsible for the severe reduction of production—the great factor in preventing inflation. If you were to grant price increases in justifiable cases sufficient to encourage private enterprise to maximum production, the resultant Niagara of goods produced would be the greatest possible anti-inflationary factor.

There are other objectives which I have raised to OPA in the past—all presented, I affirm, in a spirit of constructive suggestions to help America be adequate to meet the

inflation challenge. Such an objection has been my continued protest against the grossly unfair "Plymouth plus-Wisconsin minus" price ceilings on cheese which have penalized my own State, which produces more cheese than all other States combined, and cost our producers over \$10,000,000 since its imposition.

The square pegs who fill OPA's round holes must be eliminated. The American people demand this—Congress demands it.

This letter requires no response other than action which signifies improvements along the lines suggested.

Sincerely yours,

ALEXANDER WILEY.

Mr. WILEY. There are six points in this editorial to which I said I agreed. I ask Mr. President, that the six points be now printed in the RECORD.

There being no objection, the six points were ordered to be printed in the RECORD, as follows:

1. It must provide sufficient price relief to yield profits normal to high-level operation.

2. The basis for price relief must be clearly defined and geared to actual costs of operation at the earliest possible date.

3. OPA administrative procedures must be speeded up and streamlined, or the delays that characterized past administration will become intolerable.

4. It must see that, once established, the new line is held as long as wartime controls are continued by enforcing restrictions on wages as well as prices.

5. It must set an early date for the termination of all wartime controls and provide for progressive and bold steps for decontrol to be taken before that date, as soon as production levels in any field are sufficiently high to restrain runaway prices.

6. It must proceed without delay to marshal fiscal and monetary policies to combat inflation, in order that price controls may be discarded at the earliest possible date.

Unless Congress does this—and it will not be easy in an election year—we are headed for an explosion. It will come in one of two forms—either in a continuance of industrial strife, or in a rocketing inflationary boom that can only end in collapse and depression.

JAMES H. MCGRAW, Jr.

Mr. WILEY. Mr. President, I desire to comment briefly on two of the six points.

1. It must provide sufficient price relief to yield profits normal to high level operation.

2. The basis for price relief must be clearly defined and geared to actual cost of operation at the earliest possible date.

Mr. President, a very distinguished Member of the other House yesterday told of an incident which may be multiplied throughout the country. He told of the incident of 60 grocerymen who were haled before OPA because they had made a mistake of 1 cent in the price of certain chocolate. A certain brand of chocolate should have been sold at 12 cents and another brand at 11 cents, but, because of mistake, the prices were reversed and the brand that should have sold at 12 cents was sold at 11 cents.

The Gestapo agents of the OPA said to the 60 men—think of saying this in free America—"If you will pay a \$50 fine for this mistake you can go free; otherwise you will be taken into the Federal court; you will have to hire a lawyer, and it will cost you three or four hundred dollars."

That is one incident. I could speak of others. This was told me by a distinguished Member of Congress from the South.

Mr. President, this condition must stop. We do not authorize our servants to become masters or buccaneers; neither are they delegated to become Federal grafters or chisellers. OPA public servants, should use common sense and judgment—aid the harassed little businessman.

Now I desire to call attention to what I think is the most serious condition that exists in the OPA—and it arises from an utter failure by OPA to appreciate a very simple proposition. Businesses in my State and throughout the Union which were manufacturing certain products for civilian use, all at once went into war production back in 1940 and 1941. In war production their prices went up, but they were manufacturing for the Government, and the Government took care of the situation. Now they have been converted to peacetime production, and meanwhile the material that goes into peacetime production has risen from 25 to 50 percent and wages have gone up from 25 to 50 percent.

Yet time and again OPA has said, "You must produce this article which you produced in 1939, 1940, and 1941, at the same price at which you produced it in those years."

Mr. President, that is just foolishness, it is ignorance, if you please. The result has been that one little manufacturer in my State told me a few days ago that in December last his assets were \$550,000, but that he has lost \$50,000 a month ever since. He has asked for relief, but he cannot get it.

Frankly, this is the situation: OPA must "go," or Congress, when it extends it, must so provide that it cannot use these Gestapo methods, and cannot impose upon the producers of this country the economic slavery that is evidenced in the case I have recited.

URGENT DEFICIENCY APPROPRIATION ACT, 1946

Mr. McKELLAR. Mr. President, I desire at this time to have the Senate take up for consideration the urgent deficiency appropriation bill. I understand there are some Senators who would like to have it go over, and I am wondering whether I can have unanimous consent to make it the unfinished business, with the understanding that it will go over until tomorrow. I make that request.

Mr. WHITE. Mr. President, the chairman of the committee has been kind enough to speak to me about the matter. I know of no reason why the request should not be acceded to.

The PRESIDING OFFICER (Mr. LUCAS in the chair). The Clerk will state the bill by title.

The CHIEF CLERK. A bill (H. R. 5458) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. RUSSELL. I should like to have the request of the Senator from Tennessee clarified. I did not understand it.

Mr. McKELLAR. I merely desire to have the bill made the unfinished business. There are several Senators who want it to go over until tomorrow so that they may have additional time to look into it, and that is perfectly satisfactory to me. But I should like to have the bill made the unfinished business, and then let it go over.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. AIKEN. What is the bill?

The PRESIDING OFFICER. The bill will again be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 5458) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

Mr. McKELLAR. I have asked that the bill go over until tomorrow.

Mr. AIKEN. That is perfectly satisfactory.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

There being no objection, the Senate proceeded to consider the bill (H. R. 5458) making appropriation to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. McKELLAR. I now ask that consideration of the bill be postponed until tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICE OF ADDRESS BY SENATOR VANDENBERG

Mr. VANDENBERG. Mr. President, I rise to announce for the record that if I may be recognized tomorrow noon when the Senate meets, I should like to address the Senate in respect to the work of the United Nations at London, particularly in relation to Soviet-American relationships.

The PRESIDING OFFICER. The present Presiding Officer probably will not be in the chair at the time.

Mr. McKELLAR. I may say to the Senator from Michigan that that will be entirely satisfactory to the President pro tempore.

ONE HUNDREDTH ANNIVERSARY OF BIRTH OF WILLIAM F. CODY (BUFFALO BILL)

Mr. ROBERTSON obtained the floor.

Mr. McKELLAR. Mr. President, will the Senator yield to me to suggest the absence of a quorum?

Mr. ROBERTSON. I hope the Senator will withhold the suggestion.

Mr. McKELLAR. Very well.

Mr. ROBERTSON. Mr. President, today, the 26th day of February, my home town of Cody, my State of Wyoming, and the Nation will observe the one hundredth anniversary of the birth of Col. William Frederick Cody.

Colonel Cody, better known to everyone as Buffalo Bill, is remembered primarily as an Indian scout, a plainsman, and for his wild-west show. Mounted on his favorite horse, his white hair flowing down and across his broad shoulders, with rifle in hand, he rode around the arena of his show, and was a familiar sight to all people of a generation ago, here in the United States, in Britain, in France, in Germany, and throughout Europe.

The story of how he won the name of Buffalo Bill has become a part of the legend of the West. The legend, and the colonel himself, have become a part of the colorful history of the winning of our West.

Today in the town of Cody, Wyo., the town he founded and called his own, there is a magnificent equestrian statue of him, sculptured by Mrs. Harry Payne Whitney, and a museum, modeled on his ranch home, has been built to hold the trophies of his life.

But to the older people of the town, and to many whose memory goes back to the turn of the century, there is still another memorial near Cody—a living, vital, productive, and profitable memorial to the colonel. It is a memorial to him, not as a scout or a hunter or a showman, but as a builder of the great West, a man of foresight and vision, a man whose sun-faded eyes had envisioned new generations of people making their homes on the prairie land where he so often hunted. He could see coming from these lands, under the care of man, untold quantities of foodstuffs for a young and growing Nation. He could see beans and alfalfa, grain and potatoes, sugar beets and corn, growing where previously only buffalo grass waved in the wind. These things he could see even in this arid country, if only the magic touch of water could be brought to this parched land.

And so today, because of the vision and the determination of this pioneer of the West, we do have this water; we do have people making their homes on the prairie land; we do have corn and alfalfa and sugar beets and grains growing in abundance. And west of these fertile fields we have a high concrete dam and reservoir.

This dam and this reservoir, and the resultant thousands of acres of productive lands, are the living monument to which I refer. They are today known as the Shoshone Reservoir and the Shoshone Dam, but the Senate last week passed Senate Joint Resolution 136, which I introduced, to have these renamed the "Buffalo Bill Dam and Reservoir", and on Thursday last the House Irrigation and Reclamation Committee voted unanimously in favor of the joint resolution.

I knew Colonel Cody intimately. I recall his telling how in the summer of 1879 he first viewed the Big Horn Basin of Wyoming, looking down on it from the high summit of the Big Horn Mountains to the East. Then, he said, he envisioned the basin as a "breadbasket" of the West.

Feb.
27.

11. SUBSIDIES. Passed as reported H. J. Res. 301, to authorize payment of subsidies for 1946 programs (for provisions, see Digest 33)(pp. 1734-43). Agreed, 44-33, to the amendment providing for meat and flour subsidies (pp. 1742-3).
12. URGENT DEFICIENCY APPROPRIATION BILL. Debated this bill, H. R. 5458, which contains the \$100,000,000 item for REA (pp. 1743-52). Agreed, 44-30, to the committee amendment reducing the amount for CPA (pp. 1744-50). Agreed, 45-25, to the committee amendment reducing the amount for OPA (pp. 1750-2).
13. FISH. Received Calif. Assembly resolutions urging a survey of Pacific fisheries and development of tuna fishing (p. 1730).
HOUSING.
14. FARM MACHINERY; Received a Calif. Assembly resolution urging that farm machinery, implements, and housing be made available (p. 1730).
15. FORESTRY INVESTIGATION. Received a Calif. Assembly memorial recommending an investigation of the Forest Service (p. 1731).
16. SCHOOL LUNCH PROGRAM. Sen. Capper, Kans., inserted an American Dietetic Association letter favoring H. R. 3370, the school lunch bill (p. 1731).
17. NARCOTICS. Agreed to the conference report on H. R. 2348 (see item 4)(p. 1743).
18. HOUSING. Sen. McFarland, Ariz., spoke in favor of various amendments to S. 1592, the Wagner-Ellender-Taft housing bill (pp. 1752-5).
19. ADJOURNED until Fri., Mar. 1 (p. 1756).

BILLS INTRODUCED

20. WOOL; IMPORTS. S. 1874, by Sen. Robertson, Wyo., to increase and stabilize the U. S. domestic wool production and to further stabilize the importation of raw wool from foreign countries. To Agriculture and Forestry Committee. (p. 1732.)
21. SURPLUS PROPERTY. H. R. 5608, by Rep. Poage, Tex., relating to the disposition of certain surplus property located outside the U. S. To Expenditures in the Executive Departments Committee. (p. 1790.)
H. R. 5610, by Rep. Rizley, Okla., relating to the disposition of certain surplus property located outside the U. S. To Expenditures in the Executive Departments Committee. (p. 1790.)

ITEMS IN APPENDIX

22. HOUSING. Rep. Patman, Tex., inserted newspaper editorials favoring his housing bill, H. R. 4761, including provisions for subsidies for new housing and price ceilings on existing houses (pp. A1069, A1070-1, A1076).
Extension of remarks of Rep. Patterson, Calif., favoring the Patman housing bill (p. A1066).
Rep. Rogers, Mass., inserted Mrs. McLean's press statement favoring H. R. 5576, to establish priorities for veterans in purchasing surplus property suitable for residential purposes (pp. A1067-8).
Rep. Sadowski, Mich., inserted a Detroit (Mich.) News editorial favoring the Wyatt housing plan (p. A1071).
23. PRICE CONTROL. Extension of remarks of Rep. Gillie, Ind., favoring the continuation of price control and including constituents' letters urging the continuation (pp. A1053-4).
Rep. Patman, Tex., inserted Director John W. Snyder's (War Mobilization and Reconversion) statement before the H. Banking and Currency Committee urging the extension of the Emergency Price Control Act (pp. A1071-3).
24. ST. LAWRENCE WATERWAY. Rep. Sabath, Ill., inserted Mayor Kelly's (Chicago) statement before the S. Foreign Relations Committee urging approval of this project (pp. A1073-4).

COMMITTEE HEARINGS RELEASED BY G.P.O.

25. URGENT DEFICIENCY APPROPRIATION BILL, 1946, H. R. 5458. Senate Appropriations Committee.
26. AGRICULTURE APPROPRIATION BILL, 1947, H. R. 5605. House Appropriations Committee. See item 1.
27. SECOND APPROPRIATION RESCISSION BILL, 1946, H. R. 5604. House Appropriations Committee.

COMMITTEE HEARINGS ANNOUNCEMENTS for Feb. 28: S. Foreign Relations, St. Lawrence waterway; S. Agriculture, clothing shortage; S. Banking and Currency, housing bill (ex.); S. Commerce, science bill (ex.); H. Appropriations, deficiency (ex.); H. Agriculture, Cooley farm-credit bill (ex.); H. Banking and Currency, OPA extension; H. Civil Service, Federal pay bill; H. D. C., anti-dog research; H. Expenditures, surplus property (Royall); H. Insular Affairs, Philippine rehabilitation (ex.); H. Merchant Marine, fish; H. Ways and Means, social security.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate on official business of the Small Business Committee, of which he is a member.

The Senator from Maine [Mr. WHITE] has a general pair with the Senator from New Mexico [Mr. HATCH].

The Senator from Wisconsin [Mr. WILEY] has been excused. He is absent on official business.

The Senator from Michigan [Mr. VANDENBERG] is detained on official business.

The result was announced—yeas 44, nays 33, as follows:

YEAS—44

Aiken	Hoey	Morse
Bailey	Huffman	Murdock
Barkley	Johnson, Colo.	Myers
Bilbo	Johnston, S. C.	O'Mahoney
Briggs	Kilgore	Pepper
Capper	La Follette	Radcliffe
Carville	Langer	Shipstead
Chavez	McCarran	Stewart
Cordon	McFarland	Thomas, Utah
Downey	McKellar	Tobey
Fulbright	McMahon	Tunnell
George	Magnuson	Walsh
Green	Mead	Wheeler
Hayden	Millikin	Young
Hill	Mitchell	

NAYS—33

Austin	Gerry	Robertson
Ball	Gurney	Russell
Brewster	Hart	Saltonstall
Bridges	Hawkes	Smith
Buck	Hickenlooper	Stanfill
Bushfield	Knowland	Taft
Butler	McClellan	Thomas, Okla.
Byrd	Maybank	Tydings
Donnell	Moore	Wherry
Ellender	Overton	Willis
Ferguson	Revercomb	Wilson

NOT VOTING—19

Andrews	Gossett	Taylor
Bankhead	Guffey	Vandenberg
Brooks	Hatch	Wagner
Capehart	Lucas	White
Connally	Murray	Wiley
Eastland	O'Daniel	
Glass	Reed	

So the amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the joint resolution.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution (H. J. Res. 301) was read the third time, and passed.

BROADCASTING OF NONCOMMERCIAL CULTURAL OR EDUCATION PROGRAMS

The PRESIDING OFFICER (Mr. TUNNELL in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 63) to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or education programs, which were to strike out all after the enacting clause and insert:

That title V of the Communications Act of 1934, as amended, is amended by inserting after section 505 thereof the following new section:

"COERCIVE PRACTICES AFFECTING BROADCASTING

"SEC. 506. (a) It shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation, or duress, or by the use or express or implied threat of the use of other means, to coerce, compel, or constrain or attempt to coerce, compel, or constrain a licensee—

"(1) to employ or agree to employ, in connection with the conduct of the broadcasting

business of such licensee, any person or persons in excess of the number of employees needed by such licensee to perform actual services; or

"(2) to pay or give or agree to pay or give any money or other thing of value in lieu of giving, or on account of failure to give, employment to any person or persons, in connection with the conduct of the broadcasting business of such licensee, in excess of the number of employees needed by such licensee to perform actual services; or

"(3) to pay or agree to pay more than once for services performed in connection with the conduct of the broadcasting business of such licensee; or

"(4) to pay or give or agree to pay or give any money or other thing of value for services, in connection with the conduct of the broadcasting business of such licensee, which are not to be performed; or

"(5) to refrain, or agree to refrain, from broadcasting or from permitting the broadcasting of a noncommercial educational or cultural program in connection with which the participants receive no money or other thing of value for their services, other than their actual expenses, and such licensee neither pays nor gives any money or other thing of value for the privilege of broadcasting such program nor receives any money or other thing of value on account of the broadcasting of such program; or

"(6) to refrain, or agree to refrain, from broadcasting or permitting the broadcasting of any radio communication originating outside the United States.

"(b) It shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation or duress, or by the use or express or implied threat of the use of other means, to coerce, compel or constrain or attempt to coerce, compel or constrain a licensee or any other person—

"(1) to pay or agree to pay tribute for the privilege of, or on account of, producing, preparing, manufacturing, selling, buying, renting, operating, using, or maintaining recordings, transcriptions, or mechanical, chemical, or electrical reproductions, or any other articles, equipment, machines, or materials, used or intended to be used in broadcasting or in the production, preparation, performance, or presentation of a program or programs for broadcasting; or

"(2) to accede to or impose any restriction upon such production, preparation, manufacture, sale, purchase, rental, operation, use, or maintenance, if such restriction is for the purpose of preventing or limiting the use of such articles, equipment, machines, or materials in broadcasting or in the production, preparation, performance, or presentation of a program or programs for broadcasting; or

"(3) to pay or agree to pay tribute on account of the broadcasting, by means of recordings or transcriptions, of a program previously broadcast, payment having been made, or agreed to be made, for the services actually rendered in the performance of such program.

"(c) The provisions of subsection (a) or (b) of this section shall not be held to make unlawful the enforcement or attempted enforcement, by means lawfully employed, of any contract right or legal obligation.

"(d) Whoever willfully violates any provision of subsection (a) or (b) of this section shall, upon conviction thereof, be punished by imprisonment for not more than 1 year or by a fine of not more than \$1,000, or both.

"(e) As used in this section the term 'licensee' includes the owner or owners, and the person or persons having control or management, of the radio station in respect of which a station license was granted; and

Amend the title so as to read: "An act to amend title V of the Communications Act of 1934 so as to prohibit certain coercive practices affecting radio broadcasting."

Mr. WHEELER. Mr. President, I move that the Senate disagree to the amendments of the House, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. JOHNSON of Colorado, Mr. TUNNELL, Mr. MYERS, Mr. WHITE, and Mr. AUSTIN conferees on the part of the Senate.

WILLIE H. JOHNSON

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1129) for the relief of Willie H. Johnson, which was, on page 1, line 6, to strike out "\$600" and insert "\$350."

Mr. PEPPER. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

COVERAGE OF CERTAIN DRUGS UNDER FEDERAL NARCOTIC LAWS—CONFERENCE REPORT

Mr. GEORGE submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2348) to provide for the coverage of certain drugs under the Federal narcotic laws, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate; and agree to the same.

WALTER F. GEORGE,
D. I. WALSH,
JOS. BAILEY,
ROBT. M. LA FOLLETTE, Jr.,
Managers on the Part of the Senate.

R. J. DOUGHTON,
JEEB COOPER,
JOHN D. DINGELL,
A. WILLIS ROBERTSON,
HAROLD KNUTSON,
D. A. REED,
ROY O. WOODRUFF,
Managers on the Part of the House.

Mr. GEORGE. Mr. President, I move the adoption of the conference report.

The report was agreed to.

URGENT DEFICIENCY APPROPRIATION ACT, 1946

The Senate resumed the consideration of the bill (H. R. 5453) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will state the amendments of the Committee on Appropriations.

The first amendment of the Committee on Appropriations was, under the heading "Legislative," on page 2, after line 1, to insert:

SENATE

For an additional amount for clerical assistance to Senators (including chairmen of

standing committees) at the rate of \$2,400 per annum, effective March 1, 1946, fiscal year 1946, \$76,800.

The amendment was agreed to.

The next amendment was, on page 2, after line 6, to insert:

Notwithstanding the provisions of the act of May 10, 1916, as amended by the act of August 29, 1916, the Sergeant at Arms of the Senate is hereby authorized during the Seventy-ninth Congress to employ, whenever necessary, the services of Government employees for folding speeches and pamphlets at the prevailing rates provided by law.

The amendment was agreed to.

The next amendment was, under the subhead "House of Representatives," on page 2, after line 15, to insert:

For payment to the widow of J. Buell Snyder, late a Representative from the State of Pennsylvania, \$10,000.

The amendment was agreed to.

The next amendment was, under the heading "Executive Office of the President—Office for Emergency Management—Civilian Production Administration," on page 3, line 9, after the numerals "1946", to strike out "\$1,500,000" and insert "\$750,000."

Mr. HAYDEN. Mr. President, I desire to be heard in opposition to the committee amendment. I desire to invite the attention of the Senate to the fact that the amount of money carried in the bill as it passed the House is the amount contained in the Budget estimate, and that it was adopted by the House on a unanimous report from its Committee on Appropriations, and that the leadership on both sides in the House supported it.

I quote from the CONGRESSIONAL RECORD the statement by Mr. CANNON of Missouri, the chairman of the House Committee on Appropriations, who said this appropriation—

deals with the disposition of every commodity, and especially, at this time, housing items, lumber, steel, and building materials, of which the whole country is so desperately in need. It has already relaxed many of its restrictions, but due to the change in the economic situation and delay in the reconversion program, it is necessary now to continue many of its activities and resume some of those discontinued to insure an adequate supply of materials and facilitate their distribution.

Then Mr. TABER, the Republican leader on the House Committee on Appropriations, said:

This bill does not call for an enormous sum of money. The total involved is something in the neighborhood of \$3,500,000. One of the major items is the Office of Civilian Production. I can see where a very considerable additional activity temporarily and for a few months after the severe strike situation that the country is facing, will be placed upon that Administration, because there probably will have to be for a little while allocations of some of the critical materials. We probably could not break away from that immediately.

The committee report, which is unanimous, points out that it has become necessary to retain an effective operating organization in addition to activities concerned in orderly liquidation. That is due to the strike situation, to the fact that unemployment was not so great as had been expected, and therefore there is a shortage of labor. As pointed out

in the report there were 23,000 employees in the Office of War Production when the war with Germany came to an end. After that the number was reduced. When VJ-day came the number was down to 11,000. Mr. Small, who is head of the organization, appeared before our committee last fall and said they were continuing to reduce the number of employees; that by the first of the year they would have cut down the number to 2,500; that by this time they would have cut down the number to 2,300, and by the 1st of April, if they were given no more money, the number would be reduced to 400, and the 400 would wind up the Civilian Production Administration.

The coal strike was then in progress, and Mr. Small stated at that time that if there was a continuance of labor disturbances which interfered with production it would be necessary to channel material. He agrees with everyone that production is the essence of this situation. He said that if ample production could be obtained it would not be necessary to channel material. In the absence of ample production, caused by strikes, by the unavailability of labor, or whatever it may be, it is necessary for a time to continue to channel materials, particularly in the building industry. For that reason we are confronted with this question: Do we, out of a total of 23,000, want to keep on the pay roll from April to the 30th of June 2,300 experts who know how to channel these materials? It takes this much money to do it. The House has appropriated it. I think the Senate should appropriate it.

Mr. McKELLAR. Mr. President, I regret very much that my distinguished friend, the Senator from Arizona, whom I admire and esteem most extravagantly, should take the position that this appropriation ought to be increased. The question is perfectly simple. The matter of housing has recently been placed in the hands of a housing administrator, Mr. Wyatt, who, from what I hear of him and from what I have seen of him, seems to be a very excellent man. The Administration of which Mr. Small is the head is the old War Production Board. Last fall the War Production Board, like all the war agencies, was asked to make a thorough examination and cut down its appropriations, have them rescinded and the money placed back in the Treasury. Mr. Small did that.

In the meantime that agency had been changed from the War Production Board to the Civilian Production Administration. It is remarkable that that should have occurred at the time it did occur, to say the least. Why should the name be changed? If the agency was doing good work in wartime, it could continue to do good work in peacetime if it were necessary to retain it. It was not necessary to change the name. That in itself is somewhat peculiar.

But that is not the real trouble, Mr. President. The real trouble is that they are now undertaking to justify a larger appropriation by saying that they are going to use the money to help the housing situation. Unless the whole system of government has been changed from what it was during the 35 years I have been connected with it, we all know that

the Housing Administration will not get started before about the 1st of July. If it is able to start by that time, it will be doing well. It will do something, but it will not become very vigorous or active before the 1st of July. In the meantime one and a half million dollars will be spent by the other agency, which is not a housing agency, but which seems very kindly disposed toward the new Housing Administration and is willing to keep many of its old employees on the pay roll of the new agency under the excuse, as it seems to me, and as I think anyone may infer from the testimony, that this money will be spent for the benefit of the Housing Administration, which, Mr. President, has not really yet been set up.

Mr. President, it seems to me for the Congress to appropriate money under such circumstances is not justifiable, and I am opposed to that kind of legislation. Perhaps I may be wrong. It may be that the Senator from Arizona is right. Perhaps Mr. Small will allocate this money in such a way that it will do the Housing Administration some good. I do not know. It will certainly provide salaries for members of the old War Production Board until July 1, and it seems to me to be unnecessary even to allow half the amount for that purpose. I think it would be better if they had not made a request for money. Now that the war is over, we will have to end many of the war agencies at some time.

Mr. President, keep in mind that this agency is really the War Production Board. The War Production Board should have been one of the first agencies to go out of existence. Instead of that they made request for appropriation last fall. They reduced the number of employees very considerably, and that was entirely proper; but I think the War Production Board should pass entirely out of the picture by July 1, next. I think it would be regrettable that that should not happen; but surely the Senate ought not to appropriate more than the committee recommended. This subject was very thoroughly examined into by the committee. There was a very great difference of opinion. The matter was very carefully considered and voted on, not once, but several times, as I remember, in one way or another. For that reason it seems to me that the recommendation of the committee is about the best we can do in the matter.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. CORDON. I inquire of the distinguished Senator from Tennessee whether it is his understanding that the Housing Authority at the present time has the legal authority to allocate lumber and other building material, as has the Civilian Production Administration, successor to the War Production Board? That seems to be the field in which the Civilian Production Administration intends to work.

Mr. McKELLAR. We had a great deal of evidence on the question. As I understand, the Civilian Production Administration has assumed to take that duty on itself for the Housing Authority, and I do not believe that that ought to be done. I do not believe that we should establish

one organization to do certain work, and then let another organization come along and say, "We will take over a part of your duties. Let Congress appropriate so much money for us, so that we may keep our employees on the rolls, and we will do all we can for housing." That is what this amounts to, and frankly I am very much opposed to it.

Mr. President, I yield the floor.

Mr. CORDON. Mr. President, I am one of those who believe in reducing appropriations. However, in connection with this particular item I believe that we should do one of two things. We should either appropriate sufficient to let the skeleton administration function, or we should eliminate it entirely. As I understand, the chief duty now devolving upon the Civilian Production Administration, which by executive order succeeds the War Production Board and has the same authority, is to require the allocation of building materials to home building purposes rather than to other purposes.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CORDON. I am glad to yield.

Mr. McKELLAR. Does the Senator say that it is his understanding of the law that the War Production Board, as changed by Executive order, has the authority to say how much shall go into civilian construction? Does it have control over the allotment of materials which enter into civilian construction?

Mr. CORDON. That is my understanding.

Mr. McKELLAR. I am quite sure the Senator is mistaken.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. HAYDEN. I can state positively that no other agency of Government except the Civilian Production Administration has authority of law to allocate building materials, to channel machinery, and to do the other things necessary to break the bottlenecks of business. No other agency has such authority.

Mr. McKELLAR. Can the Senator refer to the law?

Mr. HAYDEN. Let me ask the Senator this question: Can he read to me any law which shows that any other agency has the authority? Neither of us has any law books before him, but I know what I am talking about.

Mr. McKELLAR. In my judgment no organization has such authority. The War Production Board has not been changed since the war closed. I do not think it has authority over civilian production of housing. I do not think there is any other agency which has such authority. I do not know of any authority, under perfectly well-known rules of constitutional law—and I still think we have a Constitution, although sometimes I am in doubt—which would justify or authorize an appropriation of this kind.

Mr. CORDON. Mr. President, may I inquire of the distinguished Senator from Tennessee what his idea is of the duty of the Civilian Production Administration, as it is now constituted?

Mr. McKELLAR. Since the War Production Board has changed its name, and perhaps done other things, I do not

know, and I do not believe anyone else knows, what its authority is in time of peace. It was not established as a peacetime organization. As we all know, it was established as a wartime organization. I do not believe that merely because its name has been changed it has any authority whatsoever over peacetime housing.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. FULBRIGHT. I cannot cite the law, but it seems to me that under the War Powers Act the President, by Executive order, has given such power to the War Production Board.

Mr. CORDON. The War Production Board exercised that power throughout the war. It was the establishment of priorities by that Board which made it possible for war production to be conducted in an orderly manner, and to reach the heights which it reached during the war.

The War Production Board, as such, was substantially out of business shortly after VJ-day. The President, by Executive proclamation, continued the authority of the Board under the name of "Civilian Production Administration." Personally, I did not have the opportunity to hear Mr. Small's testimony; but, as I understand the present situation, the Civilian Production Administration is now functioning almost entirely in the field of allocation of building materials of various kinds, in the attempt to expedite the housing program in the United States. Very frankly, I am gravely doubtful as to whether it will succeed in that field.

I submit that we should do one of two things. We should either give the agency sufficient money to enable it to do the job, if it can be done, or else cut the appropriation off entirely.

At the present time the Civilian Production Administration requires, under its order, that all lumber sales be made for housing purposes, up to a certain major percentage of the lumber available at retail yards. It also requires certain set-asides at the production end of the lumber business. Sawmills are required at the present time to cut 40 percent of their cut in housing lumber. Again, I say frankly that I believe that order was ill-advised. I believe it will have to be changed. But the fact remains that this is the agency, and the only agency, so far as I know, which can change it. It is the agency which promulgated the order and the agency which has the authority to do it. It seems to me that the least we can do, if we are to maintain the agency in existence at all, is to give it sufficient personnel to do the last remaining part of its job in time of peace. I believe that it will require the amount allowed, \$1,500,000.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. HAYDEN. As I understand the Senator, he has the facts the same as I have them. During the war the War Production Board was created and functioned. The War Production Board was not created by act of Congress.

Mr. CORDON. That is correct.

Mr. HAYDEN. The President created the War Production Board after several other agencies had tried to do the job; and that agency, under that name, allocated materials so as to facilitate the winning of the war. It allocated materials to the places where they were needed in order to win the war.

Then, by the same authority by which the President created the War Production Board, the war being over and the President being anxious that civilian production be resumed, by Executive order he changed the name from War Production Board to Civilian Production Administration.

Mr. CORDON. That is correct.

Mr. HAYDEN. I believe I am correct in stating that recently the President issued an Executive order with respect to the channeling of materials into housing.

Mr. WHERRY. Through this agency?

Mr. HAYDEN. Just a moment. I am asking my friend from Oregon a question.

I understood Mr. Wyatt to say the other day in an address which he delivered that two things were to be done. One was to put into effect immediately an Executive order of the President which would assist in channeling materials toward housing. The other was the enactment of legislation authorizing certain appropriations to stimulate production.

Mr. CORDON. In the nature of subsidies.

Mr. HAYDEN. Yes. I have not seen the text of the order, but if I correctly understood Mr. Wyatt, the order had already been issued that day—this was 2 or 3 days ago—whereby the President directed that materials available in the United States which are now uncontrolled should again be placed under control and channeled into housing. Is that the Senator's understanding?

Mr. CORDON. That is my understanding.

Mr. HAYDEN. If that be the case, what other agency of Government can do the channeling except this agency?

Mr. CORDON. There is no other agency in existence, to my knowledge, in the Government establishment.

Mr. HAYDEN. Furthermore, when Mr. Wyatt was making this address I specifically asked him, "Do you have authority, or do you expect to have authority, to channel materials into housing?" He said, "No; I have no such authority, and I do not expect to have it. It would be utterly impossible for me to try to set up a new organization to do something which the Civilian Production Administration is perfectly capable of doing, and has had experience in doing over these many months."

Does the Senator understand that to be the situation?

Mr. CORDON. I am in accord with the Senator from Arizona in my understanding.

Mr. HAYDEN. Those are the facts, as I understand them to be.

Mr. AUSTIN. Mr. President, will the Senator yield to me?

Mr. McKELLAR. Mr. President, if the Senator from Vermont will pardon me, let me say that if there are any such

facts I shall be delighted to have the Senator read the Executive order referred to and any other Executive order which provides for having the Civilian Production Administration take over housing or channel materials for housing, as the Senator calls it, or do anything else along those lines. The truth of the matter is that no law provides for that being done. The House of Representatives and some members of the Senate committee wish to appropriate \$1,500,000 to this defunct organization which the Senator from Arizona [Mr. HAYDEN] just said has done away with about nine-tenths of its employees, I believe, although it wishes, and is very anxious, to keep the rest of them, and believes it is the proper organization for this purpose.

Mr. President, something more than belief is required in order to establish an organization. In time of war it can be done by the President, under authority given by the Congress. In view of modern tendencies, it is remarkable that some persons still think—and I am one of those old-fashioned persons—that we have a Constitution and laws and that it is the duty of Congress to uphold the Constitution and to pass the laws in accordance with it. Of course, I know I am old-fashioned, perhaps even superannuated. But I still believe in the Constitution which all of us swore to protect and defend. To my mind, it is unthinkable and unbelievable that the Congress should make this appropriation merely because some man who has not yet been appointed to office or whose nomination has not yet been confirmed or who has not yet been sworn in to serve in an office thinks this organization might help, and that the Congress should appropriate \$1,500,000 for it.

Mr. CORDON. Mr. President, let me inquire of the Senator from Tennessee what justification is there for making a \$750,000 appropriation, in view of the Senator's constitutional position. If the Civilian Production Administration has no legal standing, then by what right may the Congress appropriate \$750,000, rather than \$1,500,000? I cannot follow that line of thought.

Mr. McKELLAR. I am just as much opposed to the \$750,000 appropriation as I am to the \$1,500,000 appropriation. But the committee out-voted me.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. CORDON. I am glad to yield.

Mr. AUSTIN. Mr. President, I do not have before me a complete copy of the order creating the Civilian Production Administration, but there is enough of it here, I think, to settle the question whether there is authority for this organization to allocate the products of the United States. At page 533 of the most recently published Congressional Directory, the following appears:

The Civilian Production Administration was established within the Office for Emergency Management by Executive Order 9638 of October 4, 1945. The same order terminated the War Production Board, effective at the close of business November 3, 1945, and transferred its functions and powers to the Civilian Production Administration. The order provided that the functions and powers transferred shall "be uti-

lized to further a swift and orderly transition from wartime production to a maximum"

Mr. McKELLAR. Mr. President, will the Senator pardon me for a moment? The Senator left out two or three words, although I know it was unintentional. It should read:

The functions and powers transferred by this order shall, to the extent authorized by law—

And so forth. Does the Senator contend that there is a law providing for this?

Mr. AUSTIN. Yes, I do. Of course there is a law.

Mr. McKELLAR. What is the law which authorizes the appropriation of this money for the use of the Civilian Production Administration for the purpose of public housing?

Mr. AUSTIN. The law to which I refer, which is the foundation of the Executive order, is the First Emergency War Powers Act. I am not familiar with the language of the recent statute passed by the Congress enabling the President to terminate functions, transfer agencies, and so forth, but I am confident that that authority justifies this particular transfer.

Now I should like to continue, and I am not misquoting the order. All I am doing is reading what is contained in the Congressional Directory. I started the quotation definitely at the verb. I shall start the sentence again. The first part of it is not a quotation:

The order provided that the functions and powers transferred shall "be utilized to further a swift and orderly transition from wartime production to a maximum peacetime production in industry free from wartime Government controls, with due regard for the stability of prices and costs."

That is all that appears in the Congressional Directory, but that seems to me sufficient to determine the question whether this authority was transferred to that agency. That does not indicate at all which way I intend to vote on this question, but I am satisfied that the Civilian Production Administration has as one of its functions the matter of making such allocation of the products of our fields, forests, and factories as will expedite and attain the maximum degree of orderly and swift transition from wartime to peacetime production.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. CORDON. I ask the Senator to pardon me for one moment. First I desire to express my appreciation to the Senator from Vermont for his contribution.

Now I am pleased to yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, of course, I did not intend to say that the Senator from Vermont had misread the language in any manner, shape, or form at all. I know the Senator from Vermont too well to think that he would do that. But I happened to have a copy of the Executive order in my hand. It reads in this way:

3. The functions and powers transferred by this order shall, to the extent authorized by law—

We still think of a law, I believe, as an order or authority or statute passed by the Congress and signed by the President—

be utilized to further a swift and orderly transition from wartime production to a maximum peacetime production in industry free from wartime governmental controls—

Mr. President, if there ever was governmental authority over the products in question it exists right now. This order seems to refer to something else—

with due regard for the stability of prices and costs.

I am not sure whether that refers to the question we have in mind. At any rate, regardless of whether the order refers to it, the administration headed by Mr. Small—the so-called Civilian Production Administration—went before the House committee and persuaded it to recommend an appropriation of \$1,500,000, and the House of Representatives voted that appropriation—for what? Mr. Small and the witnesses with him said the House did it for the purpose of expediting the handling of housing, for which Mr. Wyatt is the administrator. When Mr. Wyatt was asked about it—and this is my recollection of what he said, as stated in the newspapers; I do not think he said it in the committee—his position was that he wanted any sort of help, and, of course, if the Congress gave \$1,500,000 to a wartime control agency, such as the War Production Board, to enable it to keep a number of employees in office and to make it possible to pay salaries to them, that was all right with him.

Mr. President, I do not think it is right, and I hope the Senate will vote it down.

Mr. CORDON. Mr. President, again I thank the Senator from Tennessee for his contribution.

In closing, let me say that the Civilian Production Administration has the same legal standing that the War Production Board had, due to the fact that, regardless of declarations to the contrary, we are still in the war period. Let me say that I have grave doubts as to whether the President will be able to get the housing job done by following the plan he has enunciated. However, that is the plan. Orders channeling materials required for housing and giving priorities for the use of lumber for other purposes have been issued. The only agency which now is in a position to require performance is the Civilian Production Administration. If we are going to operate in the housing field at all, that agency should have an opportunity to function. Otherwise I feel that we should eliminate the appropriation entirely and thereby do away completely with the agency. In view of the fact that the remainder of the program is on its way, I prefer to see a fair opportunity given for the achievement of success in that field, and I hope that the committee amendment will be rejected and that the amount will be left at \$1,500,000.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, on page 3, line 9, to strike out "\$1,500,000" and insert "\$750,000." [Putting the question.] The Chair is in doubt.

Mr. AIKEN. I ask for a division.

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

Mr. HAYDEN. Let us first have a division.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Gurney	Myers
Austin	Hart	O'Mahoney
Bailey	Hawkes	Overton
Ball	Hayden	Pepper
Bankhead	Hickenlooper	Radcliffe
Barkley	Hill	Reed
Bilbo	Hoey	Revercomb
Brewster	Huffman	Robertson
Bridges	Johnson, Colo.	Russell
Briggs	Johnston, S. C.	Saltonstall
Buck	Kilgore	Shipstead
Bushfield	Knowland	Smith
Butler	La Follette	Stanfill
Byrd	Langer	Stewart
Capper	McCarran	Taft
Carville	McClellan	Thomas, Okla.
Chavez	McFarland	Thomas, Utah
Cordon	McKellar	Tobey
Donnell	McMahon	Tunnell
Downey	Magnuson	Tydings
Ellender	Maybank	Vandenberg
Ferguson	Mead	Walsh
Fulbright	Millikin	Wheeler
George	Mitchell	Wherry
Gerry	Moore	Willis
Gossett	Morse	Wilson
Green	Murdock	Young

The PRESIDING OFFICER. Eighty-one Senators have answered to their names. A quorum is present.

The question is on agreeing to the committee amendment on page 3, line 9.

Mr. McKELLAR. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. O'MAHONEY. Mr. President, I desire to add a word or two in support of the position which has been taken by the distinguished Senator from Arizona.

The decision in the committee to reduce the appropriation from \$1,500,000 to \$750,000 was made by a vote of 11 to 9. In other words, there was a substantial minority in the committee who believed that the Civilian Production Administration should not be deprived of the amount which the House had allowed. I do not recall whether or not the Senator from Arizona pointed it out, but—

Mr. McKELLAR. Mr. President, I may say that the Senator is correct in the figures which he has given.

Mr. O'MAHONEY. Yes. The Bureau of the Budget sent a recommendation to the Congress, as I recall, for \$1,700,000, or \$1,750,000. The House committee reduced the Budget Bureau's recommendation to \$1,500,000.

It seems to me that the issue before the Senate is a perfectly simple one. By practically unanimous action Congress recently continued the Second War Powers Act until the 30th of June 1946, in the belief it was absolutely essential, in the interest of reconversion, that authority such as that which is exercised by the Civilian Production Administration should be preserved until at least the 30th of June. There was a substantial opinion in the Senate and in the House that those powers should have been extended for a year. But, by a narrow margin of one majority the Senate decided against a year's extension and granted only a 6 months' extension.

Mr. President, the point I make, however, is this: The extension was legislatively granted for 6 months, that is to say, until the 30th of June. In its legislative capacity Congress said in effect, "We need to exercise these controls until at least the 30th of June." The appropriation, which was recommended by the Bureau of the Budget and passed by the House, was an appropriation to implement that legislative decision. How important it is that we should exercise control is illustrated by the crisis existing in connection with housing, and in connection with the shortage of lumber.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. McKELLAR. After VE-day and after VJ-day the President asked the various departments to make calculations and ascertain how much they would need to perform the work assigned to them on a peacetime basis, because we did not expect any more war between then and, at least, next July. Those departments were asked to make their estimates and send in their recommendations.

This organization made that examination and reported to the President of the United States that it needed so many employees, and that it would need so much money. The remainder of the appropriation was rescinded by a bill which was signed only a few days ago. Congress passed that bill. So Congress has acted upon the report of this organization. Later the housing situation became acute, with the result that the organization of the old WPB, now the Civilian Production Administration, re-examined its report, and concluded to request the money necessary to help the new Housing Administrator to carry out his work. I do not mean that the CPA has been authorized by anybody to do the Housing Director's work, but the Housing Director says, in a published interview, I believe, that it would be all right with him. I do not know what else he could have said under the circumstances. Certainly it is the desire of a portion of our committee to reappropriate some money in order that that might be done. That is the whole question.

In my judgment, we cannot pay too much attention to the CPA, for the reason that it has already operated in this matter twice. It certainly made a mistake the first time, according to its own admission, and I think it made a worse mistake the second time.

Mr. O'MAHONEY. Mr. President, I think the Senator does an injustice to the Civilian Production Administration when he says it made a mistake. If a mistake was made, it was the mistake of repealing too soon controls which our civilian economy did not admit of being released.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. HAYDEN. I wish to quote again from Mr. CANNON, the chairman of the House committee. He said:

Due to the change in the economic situation and the delay in the reconversion program, it is necessary now to continue many of its activities—

That is, the activities of this agency—to insure an adequate supply of materials and facilitate their distribution. So, out of the \$10,000,000 we took away from them under the assumption that their activities could shortly be dispensed with, we here provide for the return of \$1,500,000. I think no one will question the importance of continuing these essential activities until war conditions are more fully alleviated and the reconversion program is further advanced.

Mr. O'MAHONEY. I thank the Senator. That is precisely what the situation is as it has appeared to me from the evidence before the Committee on the Judiciary and the evidence before the Committee on Appropriations.

The fact is that the wartime controls were released with such speed and to such an extent that many small businesses in the country are unable, without the assistance of CPA, to obtain the supplies which they need to continue in business. It is a protection of little business in this country to grant this appropriation.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. BARKLEY. I suppose we are all familiar with the shortage in lumber—a commodity which is very essential in connection with the housing program which we are seeking to inaugurate. There is not only a shortage of lumber but of many other commodities.

I happened to have called to my attention very recently a situation existing with reference to the supply of a certain cloth out of which men's suits are made. There was a supply on hand in the whole country of 5,000,000 yards. There were requests for 20,000,000 yards. Obviously, unless there were some control of the distribution of the 5,000,000 yards among all those who wanted 20,000,000 yards, the large concerns which were able to rush in and buy, and even probably bid up prices, would have gotten all of the 5,000,000 yards, whereas the Civilian Production Administration allocated that yardage among manufacturers of men's clothing in the United States, so that the small manufacturer in the small town got his proportionate share of the goods, and was able to proceed to make clothes for men. Would the reduction in this appropriation cripple that sort of an operation on the part of the Civilian Production Administration?

Mr. O'MAHONEY. It most certainly would because it would make it impossible for the Civilian Production Administration to maintain the personnel necessary to make these allocations effective.

Mr. BARKLEY. There may be many other commodities which are in the same situation, but I happen to know about this one because a plant which operates in my old congressional district, and within 25 miles of my home, is the one which was making application for some of these goods, and it was necessary that the Civilian Production Administration take charge of the allocation of the

goods; otherwise that little plant probably would have been denied any at all, and it might have been compelled to close its doors, and for the time being stop the manufacture of the suits it was producing.

If the personnel for which the appropriation is asked is needed for a thing of that sort, and in many other lines of business which it is easy for us to imagine, it seems to me that in the interest of the small manufacturer, the small businessman, and in the interest of fair distribution of whatever is available among those who demand it, we should not cripple the staffing of this agency, which probably has found that we lifted some of the controls a little bit too soon, and some of them have to be reinstated.

Mr. O'MAHONEY. My recollection is, I will say to the Senator, that evidence in the hearings before the Committee on the Judiciary on the extension of the War Powers Act show that out of some 4,000-plus orders and controls which were in effect on VJ-day in various agencies, less than 300 remain outstanding. In other words, the Civilian Production Administration has demonstrated by its action its desire to remove the controls as rapidly as possible, and, as has been pointed out by the reports of the chairman of the House Committee on Appropriations, just read by the distinguished Senator from Arizona, \$10,000,000 was surrendered by CPA of an appropriation that was available to it, and here we are restoring to it only a million and a half of the ten million which was taken away, because since that action it has become clear that we must maintain this agency in partial activity.

Mr. BARKLEY. In other words, we were all in a hurry to lift the controls; we were impatient to get rid of them, and the chances are, as we look back now, that we realize that we were so anxious to do it that we went too far, and now have to back up a little. That is probably what has happened with respect to CPA.

Mr. O'MAHONEY. My position is simply that we should not, by withdrawing \$750,000 of this appropriation, risk the crippling of this agency in the performance of an essential work in the interest of our economy.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee on page 3, line 9.

Mr. REVERCOMB. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. REVERCOMB. As I understand, a vote "yea" is a vote for \$750,000, and a vote "nay" is a vote for a million and a half.

The PRESIDING OFFICER. The Senator is correct.

Mr. OVERTON. Mr. President, we all talk about economy; we return to our homes and talk to our constituents and say we are in favor of economy, that too much money is being spent, that the budget should be balanced, that something should be done and that we are going back to Congress and do it, but when we are confronted face to face

with an issue of economy we generally vote against economy and in favor of the continuance of a spending program.

As a member of the Committee on Appropriations, I find it very difficult to bring about a reduction in the appropriations for any agency. The only witnesses who appear before us represent the department or agency concerned. We hear their statements and we undertake to analyze them as best we can. Their statements, however, are ex parte statements and they are altogether in favor of a continuance of a spending program in behalf of the particular agency or department. We listen to what representatives of the agencies have to say and we find out, so far as the testimony before us goes, that it will be not only almost ruinous to the agency but will be very detrimental to the Government and its functioning if we should reduce an appropriation. They say they need all the employees they now have, and they need more besides, and they must spend money for this and they must spend money for that.

This particular agency, the Civilian Production Administration, came before us when we had under consideration the rescission bill, and they submitted, I suppose under the direction of the Bureau of the Budget and the President, a program of restricted spending, a program of economy. We had gotten away from the War Production Board and all the activities in which that Board was engaged, and continued in a very limited way some of its activities under the name of the Civilian Production Administration. So the rescission was made. That bill has just become law. But no sooner did it become law than representatives of the Civilian Production Administration came knocking at our door and said, "No, that is all wrong. We cannot enter on any program of economy as contemplated. We need \$1,500,000 more." Their statement was that they could not undertake further to reduce their personnel. They are still to keep every employee they have on their pay roll until the end of the present fiscal year.

Mr. President, I do not believe that is right, and when we analyze the situation it will be found that it is not right. The Civilian Production Administration can perform its limited functions, which have to do with the funneling of material, with the personnel they now have under the existing appropriation. It is not necessary to proceed to pour \$1,500,000 or \$1,750,000 more into it. As a matter of fact, I took the position in the committee that the agency should not have any further appropriation, and I think I was right. I think it can function under the present appropriation, under the money left to it after the rescission knife was applied to that item.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. McKELLAR. The Senator will recall that Mr. Small testified, and in answer to a question I asked him as to whether they could get along with a small amount, he said:

What is the use. We will be coming back to you immediately for more.

The Senator recalls that statement very well, does he not?

Mr. OVERTON. He said that even if he were given the total appropriation he would be coming back for more. We shall not get rid of this agency so long as we supply it with the funds to keep up its personnel and maintain it in operation.

Mr. McKELLAR. If the Senator will permit me, I will read Mr. Small's statement which appears on page 32 of the hearings. The Senator remembers he was asking for \$1,700,000, and not for the \$1,500,000 appropriated by the House. He said:

In the event this additional \$1,700,000 is not approved, it will be necessary to terminate all employees, except approximately 400, to be effective April 15, 1946, in order that payment may be made of accrued annual leave and other liquidation costs during the current fiscal year.

I call the attention of the Senator to that testimony by Mr. Small because the whole question is sewed up in that one statement. What they are going to do if we do not grant this appropriation they ask is to cut down the number of the employees of the Government. The War Production Board had already cut off a great many of its employees and certified that fact to the Congress and to the President. Yet Mr. Small bobs up serenely when he comes to the point where he must cut off the employees because of the lack of money, and says "We will have to have more money or we will have to cut down the number of employees." That is the whole question. If the Senate of the United States feels that all our wartime employees should be retained this is the way to do it. The way the various departments and agencies of the Government have undertaken to do it is to hold onto their employees all along the line. If we want to do that, Senators, I can stand it as well as can anybody else. I do not know what other Senators will do; But I hope they will not approve such action.

Mr. OVERTON. I agree with the Senator from Tennessee that if Senators do not back up the Appropriations Committee in trying to economize we shall have to abandon the whole idea of economizing. Let us consider the housing situation. Many Government agencies are concerning themselves with the matter of housing. Housing is something which should be under one control. But we have the National Housing Administration, the FHA, and we have the new Wyatt administration. We have the Civilian Production Administration that is moving into the field with all its present force, and with an application for an increased force. When any particular subject, such as the subject of veterans, becomes popular, different agencies of Government jump in and try to take charge of it. Various agencies say, "We want to do this or do that to aid the veterans." That subject was before the Appropriations Committee for a long time. Now the subject of housing has become popular, and many governmental agencies want to get into the housing field, so they can ask for more money.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. BARKLEY. We have a bill before the Banking and Currency Committee now, upon which we have been holding daily hearings, which would place the entire housing program of the Government under one agency.

Mr. OVERTON. I am glad of that, Mr. President, and I shall support an appropriation for that agency.

Mr. McKELLAR. I am delighted to hear it.

Mr. OVERTON. But I am not willing to distribute the funds of our Government among Tom, Dick, and Harry agencies which are simply trying to survive and to continue functioning.

Mr. McKELLAR. Mr. President, will the Senator from Louisiana yield to me so I may ask the Senator from Kentucky a question?

Mr. OVERTON. I yield.

Mr. McKELLAR. The Senator from Kentucky, who is a very able and distinguished member of the Banking and Currency Committee which has the subject of the housing program in charge, serves with distinction on that committee, as well as on other committees. This is the last day but one of February. Does the Senator expect that bill to become law before June?

Mr. BARKLEY. I will say to the Senator that the committee held exhaustive hearings upon the bill. It is now in the hands of a subcommittee which I think will complete its work tomorrow. We hope to be able to report the bill to the full committee perhaps on Friday, certainly early next week, and to report the bill and get it on the floor of the Senate and consider it in the very near future.

Mr. OVERTON. I hope that bill will be reported by the committee. I think it will not only be a step in the right direction, but that it is a necessary step to take in connection with the problem. The matter of housing should be under one control.

Mr. BARKLEY. The Senator will find that the legislation which is under consideration is comprehensive, and I might say complicated, too, because it is an effort to coordinate and unite all the housing agencies under one head, and when we start in to do that we find it is not an easy matter.

Mr. McKELLAR. Mr. President, I am happy to agree with that proposal. But think for a moment of what we are doing. The proper committee is undertaking to hear and to determine what sort of housing bill should be reported. In the meantime the head of a war agency which is still in existence says that those who are in the agency will lose their salaries if the agency is not continued. Without waiting for the Committee on Banking and Currency to act it is now proposed in the Senate to appropriate one and a half million dollars for this agency whether it ever gets to work or not; and I doubt very much whether it will get to work before the first of July. I doubt it exceedingly; I doubt it even more than exceedingly. If I were a betting man I would bet that between now and the first of July there would not be anything done by this housing agency.

Mr. OVERTON. Mr. President, I desire to ask the Senator from Kentucky a question. In the consideration of the legislation pending before the Committee on Banking and Currency is it proposed to set up another agency than the Civilian Production Administration to channel the material?

Mr. BARKLEY. No; we are not dealing with the allocation of civilian goods. We are dealing with the problem of constructing houses and encouraging the construction of houses on the part of private capital in cities and communities under a coordinated plan. But the distribution and allocation of materials of all kinds, of course, cannot be taken over by a housing administration.

Mr. HAYDEN. Mr. President, during Mr. Small's testimony the Senator from Tennessee read from the House Report on the reasons why additional appropriation is necessary, as follows:

During the past 90 days, labor-management difficulties have increasingly retarded the reconversion program.

If reconversion is retarded, the allocation of materials must be changed.

Shortages have continued far beyond the time when it was believed they would be eased for practically all purposes.

Mr. Small did not say, and there is nothing in the record to show that he would have to have more money unless a large housing program were adopted; and if it were, the number of employees now in that agency could not do the work. There would have to be more employees, and an additional appropriation.

I have found no one who knows anything about the situation who has proposed to establish a new agency to wipe out the present one. We should do one of two things. The Senator from Louisiana [Mr. OVERTON] is absolutely correct. Either we should appropriate no money at all or we should give the agency sufficient money to enable it to do the job. If we do not appropriate anything, on the first of April this agency will discharge down to 400 employees, and the 400 employees will be used to bundle up the papers, the agency will go out of business, and there will be no one to do the work. There will be no agency to do any channeling.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. McFARLAND. I have been trying today to obtain the floor. I wish to submit certain amendments to the housing bill which has been mentioned, and I intend to submit them.

This appropriation will not be a drop in the bucket compared with the housing bill if it is adopted in the form it has been introduced, and is not amended. That bill would make permanent all these war agencies. So I hope Senators will not commit themselves on all features of the bill. It has some good features. I wish to offer some amendments which will avoid making all the war agencies permanent. I hope the Senator from Tennessee [Mr. McKELLAR] and other Senators will not commit themselves too soon on all the features of that bill. It does have good features. We

can adopt this little appropriation, and it will not be a drop in the bucket.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 3, at the beginning of line 9, to strike out "\$1,500,000" and insert "\$750,000." On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BRIDGES (when his name was called). I have a pair with the Senator from Utah [Mr. THOMAS]. I am informed that if he were present he would vote "nay." If I were at liberty to vote I should vote "yea."

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Pennsylvania [Mr. GUFFEY] is a member of the committee attending the funeral of the late Representative from Pennsylvania, Hon. J. Buell Snyder, and is therefore necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Illinois [Mr. LUCAS], and the Senator from Texas [Mr. O'DANIEL] are detained on public business.

The Senator from Montana [Mr. MURRAY], and the Senator from Idaho [Mr. TAYLOR] are absent on official business.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a representative of the United States to the General Assembly of the United Nations.

The Senator from Alabama [Mr. BANKHEAD], the Senator from New Mexico [Mr. HATCH], and the Senator from Montana [Mr. WHEELER] are detained at important committee meetings.

On this question the Senator from New Mexico [Mr. HATCH] has a general pair with the Senator from Maine [Mr. WHITE].

If present and voting, the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Illinois [Mr. LUCAS], the Senator from Montana [Mr. MURRAY], the Senator from Idaho [Mr. TAYLOR], and the Senator from New York [Mr. WAGNER] would vote "nay."

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS] is recovering from a recent operation.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate on official business of the Small Business Committee, of which he is a member.

The Senator from Kansas [Mr. REED], who is detained on official business, has a general pair with the Senator from New York [Mr. WAGNER].

The Senator from Maine [Mr. WHITE], who is detained in important committee hearings, has a general pair with the Senator from New Mexico [Mr. HATCH].

The Senator from Wisconsin [Mr. WILEY] has been excused. He is absent on official business.

The Senator from California [Mr. KNOWLAND] is detained on official business.

The result was announced—yeas 44, nays 30, as follows:

YEAS—44

Bailey	Hart	Revercomb
Ball	Hawkes	Robertson
Bilbo	Hickenlooper	Saltonstall
Brewster	Hoey	Shipstead
Briggs	Huffman	Smith
Buck	Johnson, Colo.	Stanfill
Butler	Johnston, S. C.	Stewart
Byrd	McCarran	Thomas, Okla.
Capper	McClellan	Tydings
Donnell	McKellar	Vandenberg
Ellender	Maybank	Wherry
Ferguson	Millikin	Willis
George	Moore	Wilson
Gerry	Overton	Young
Gossett	Radcliffe	

NAYS—30

Aiken	Hayden	Morse
Austin	Hill	Murdock
Barkley	Kilgore	Myers
Carville	La Follette	O'Mahoney
Chavez	Langer	Pepper
Cordon	McFarland	Russell
Downey	McMahon	Taft
Fulbright	Magnuson	Tobey
Green	Mead	Tunnell
Gurney	Mitchell	Walsh

NOT VOTING—22

Andrews	Glass	Taylor
Bankhead	Guffey	Thomas, Utah
Bridges	Hatch	Wagner
Brooks	Knowland	Wheeler
Bushfield	Lucas	White
Capehart	Murray	Wiley
Connally	O'Daniel	
Eastland	Reed	

So the committee amendment was agreed to.

The **PRESIDING OFFICER**. The clerk will state the next amendment of the committee.

The next amendment was, on page 3, in line 9, to strike out "and the amount available for printing and binding is hereby decreased from '\$648,000' to '\$398,000'" and insert "and the amount available for printing and binding fixed at \$346,000 by the First Supplemental Surplus Appropriation Recession Act, 1946, is hereby increased to \$372,000."

The amendment was agreed to.

Mr. **LANGER**. Mr. President, I should like to have an explanation as to why the amount is increased from \$346,000 to \$372,000.

Mr. **McKELLAR**. We cut the figures in the second item so as to make them accord with those in the first item. We cut the first item, and the second one is changed merely so as to accord with them; that is all.

Mr. **LANGER**. Very well.

The **PRESIDING OFFICER**. The clerk will state the next amendment of the committee.

The next amendment was, under the subhead "Office of Price Administration," on page 4, line 2, after the numerals "1946", to strike out \$1,854,000" and insert "\$927,000."

Mr. **HAYDEN**. Mr. President, I wish to be heard in opposition to the amendment. I think the committee made a mistake in voting to cut in half the appropriation for the Office of Price Administration. If we are to have any kind of controls over prices during the remainder of this fiscal year, the amount of the Budget estimate will be necessary if the work is to be done. This amendment is another one in regard to which the committee was very closely divided. I think the Senate should exercise a sober second thought in regard to it.

If it is desired to sabotage the OPA, if it is desired to ruin the OPA, the simplest way to do it is to cut off the money. But that is not my way of carrying out a law enacted by Congress.

Yesterday the Senator from Wisconsin [Mr. **WILEY**] directed attention to a full-page editorial published in the Washington Post, entitled "The President's Wage-Price Policy Won't Work." The advertisement, inserted by the McGraw-Hill Co., contains several very significant paragraphs which I think deserve the attention of the Senate. Perhaps the company is correct in its view. Perhaps its opinion as to the OPA is correct, namely, that it will not work. It makes specific suggestions as to what we may do by amending the law so as to provide for a program that will work. But all agree—and the sentiment is expressed in the advertisement in the strongest kind of language—that with no control at all we are bound to have wild inflation. No one favors that.

Under such circumstances, it seems to me it would be a very grave mistake upon the part of Congress not to allow the amount of money estimated by the Bureau of the Budget as necessary. This item was thoroughly debated in the House of Representatives; and on a motion to strike it out there was a record vote, and the House, by a majority of 77 votes, fixed this amount of money as the proper sum needed to carry on the work of the OPA from now until the 1st of July.

Between now and the 1st of July we shall have to pass a bill extending the life of the OPA. If we follow the suggestions made by the McGraw-Hill Co., and other suggestions of a similar nature, we can lay down standards by which to tell the OPA how to operate so as to make the needed corrections.

But the OPA cannot operate without money. If the committee reports a bill providing for such standards, and if the bill becomes the law, those standards will immediately go into effect. But if we cut off the money now, we shall not have an effective OPA.

I simply cannot follow the idea of cutting off the money. In the committee it was asserted that about half of the increase would go for enforcement. I wish to know if any Senator is willing to stand up on the floor of the Senate and say that the reason why the sum of money should be cut in half is that we wish to reduce the number of officers available to enforce the OPA law and regulations. If we are not to have anyone to do the enforcement, then why have an OPA at all? I can agree with Members of the Senate that the methods of enforcement and the kind of enforcement officers should be changed in accordance with the law, but I will not say that it is a sound or wise policy on the part of anyone to vote to have no OPA enforcement at all, which will be the result if the pending amendment is adopted.

Mr. **HICKENLOOPER**. Mr. President, will the Senator yield?

Mr. **HAYDEN**. I yield.

Mr. **HICKENLOOPER**. In response to the Senator's invitation, I will say exactly that. In the Federal Govern-

ment there is no more sprawling agency, no more inefficient agency, no more stupid agency than the OPA. The OPA has had some 60,000 paid employees who are inflicting regulations covering minute details against a law-abiding public which is attempting to cooperate in respect to enforcement of the law. I think it is high time that we reduce the amount of surplus money which the OPA has the power to use to inflict such procedures on the public, and I think the OPA should establish some sensible and proper rules for the control of prices which will stimulate production in this country. I think the amount of money which the OPA has been voted by the committee is ample for the purposes of the OPA, and that it can thereby obtain some efficiency.

Mr. **HAYDEN**. Mr. President, let me ask the Senator whether he is in favor of extending the life of the OPA at all.

Mr. **HICKENLOOPER**. I am in favor of price control during wartime, and I hope I can be in favor of a sensible and business-like control of our economy during the emergency period following the war.

Mr. **HAYDEN**. Does the Senator think the Congress is capable of passing a bill to provide for that kind of control?

Mr. **HICKENLOOPER**. I think the Congress has failed to enact such a statute, in view of the law which was passed, together with the interpretations made by the courts in sustaining the OPA.

Mr. **HAYDEN**. Then it is the fault of Congress.

Mr. **HICKENLOOPER**. Very well. If Congress does not meet that issue and correct the OPA's sabotage practices, there will not be any reconversion in this country to the extent that is needed, and inflation will not be stopped, and our national economy will continue in the doldrums.

Mr. **HAYDEN**. Then the logic of the Senator's argument is that we should not have any OPA, and for that reason under present circumstances the Senator does not wish to appropriate sufficient money to enable the OPA to function.

Mr. **BALL**. Mr. President, will the Senator yield?

Mr. **HAYDEN**. I yield.

Mr. **BALL**. The cut made by the committee would still leave the OPA with 4,379-plus employees for enforcement. That would not exactly strip the OPA of all enforcement officers.

Mr. **OVERTON**. Mr. President, will the Senator yield?

Mr. **HAYDEN**. I yield.

Mr. **OVERTON**. I simply wish to state that, without this appropriation, the OPA has over \$28,000,000 for its operations up to the end of the present fiscal year. Now the OPA is asking for an additional \$1,854,000. The amendment would give the OPA \$927,000, which is exactly \$927,000 too much.

Mr. **HAYDEN**. There again the Senator takes the point of view that we do not need any enforcement and should not have an OPA.

Mr. **WHERRY**. Mr. President, will the Senator yield?

Mr. **HAYDEN**. I yield.

Mr. WHERRY. The Senator from Louisiana does not mean that those who are in favor of the committee amendment do not wish to have law enforcement.

Mr. HAYDEN. The law cannot be enforced unless someone is employed to see that it is enforced.

Mr. WHERRY. But the Senator from Arizona said that if the Senate should adopt the committee amendment it would sabotage the OPA, and that then there would be no law enforcement under the Emergency Price Control Act. As the distinguished Senator from Louisiana [Mr. OVERTON] and the distinguished Senator from Minnesota [Mr. BALL] have pointed out, the OPA has \$26,000,000 or \$28,000,000 for its use until the end of June of the present fiscal year, and even if the proposed cut is made the OPA will still have approximately 4,000 or 4,500 employees for enforcement purposes. The OPA argued that approximately one-half of the appropriation was for the purpose of obtaining additional law-enforcement officers. The facts reveal that at the period of high tide in OPA operations, in July 1945, the OPA had approximately 6,000 enforcement officers.

Mr. HAYDEN. And even then it did not have a sufficient number.

Mr. WHERRY. Whether it had a sufficient number to satisfy the Senator from Arizona is not the question.

The statement I made is that at the peak of wartime enforcement of controls, the OPA had 6,000 enforcement officers.

If we cut down this appropriation, there will still remain more than 4,000 officers to continue enforcement of the OPA law and regulations, and we would cut the personnel of the OPA by nearly 50 percent, clear through the list. So we would not be taking away as many enforcement officers as we would be taking away other employees.

The committee voted to grant one-half of the appropriation requested because the OPA wished to have more personnel for pre-ticketing of construction materials for housing. One-half of the appropriation will meet the OPA's requirements.

What the committee did not do was to agree to vote for the appropriation of \$1,854,000 to enable the OPA to have more enforcement officers to operate as a Gestapo and to institute lawsuits causing trouble throughout our land.

In connection with this point, I should like to refer to the remarks made in the Senate yesterday by the Senator from Illinois [Mr. LUCAS]. I ask Senators to begin to read the CONGRESSIONAL RECORD, at page 1638, and see what the Senator from Illinois said at that time. To insert his statement in the RECORD would be to duplicate unnecessarily a great deal of printing. Many Senators heard his speech. He said, in effect: "In Illinois we have a gestapo." "A gestapo" is what the Senator from Illinois said. He said, "We must stop this kind of browbeating tactics of enforcing the law against little retailers and food distributors who are not willfully violating any law whatever."

Mr. HAYDEN. Mr. President, I should like to make a statement in my own time. The Senator from Illinois

made the speech to which the Senator has referred. After he had finished making his speech I asked him what he was going to do about this appropriation, and he said he would vote for the full appropriation. He said in effect, "I do not want it to be said that after making the charges which I have made against the Office of Price Administration I would take money away from it which is needed to inaugurate proper reforms which I am advocating."

Mr. WHERRY. The fact nevertheless is that the statement which the Senator from Illinois made yesterday was, in effect, against the gestapo practices of the OPA. The OPA are attempting enforcement by what I call unethical methods. They are enforcing regulations against American grocers and merchants who are as fine a class of individuals as can be found anywhere. According to the testimony which was adduced before the committee, in the majority of cases of alleged violation which have been prosecuted, there had been no willful violation of the law. It is unfair for the distinguished Senator from Arizona to make the statement on the floor of the Senate this afternoon that because those of us who believe in economy and do not believe in the type of law enforcement which has been carried on by the OPA, and are willing to vote for the committee amendment, are trying to sabotage the enforcement program of the OPA. I am as anxious to have the law enforced against willful violators as is the Senator from Arizona, or any other Member of this body, but the Senator must remember that there are still more than 4,000 employees on the OPA pay roll, and that the OPA still has \$28,000,000 with which to carry on its program until next June. We are not trying to sabotage the OPA. We are trying to have inaugurated a constructive program of enforcement, and the OPA has plenty of officers to enforce the law with the funds which it now has.

Mr. HAYDEN. Mr. President, in my own time I assert that I totally and utterly disagree with the Senator.

Mr. WHERRY. The Senator has a right to disagree with me, and to make any statement which he chooses to make; but it is not fair but to state that those who believe in a constructive law enforcement program are trying to sabotage the law.

Mr. AIKEN. Mr. President, I inquire of the Senator from Arizona if the amount approved by the House is the amount which was requested by the Bureau of the Budget?

Mr. HAYDEN. It is. The House debated the question just as we are debating it here. By a yea-and-nay vote in the House the amount of money as shown in the House bill was agreed to by a majority of 77.

My honest belief with reference to the OPA has been from the beginning that Congress has been niggardly in its appropriations. In many instances we have not had the kind of enforcement which we have wished for, because insufficient funds have been appropriated by Congress. I feel exactly as does the Senator from Nebraska with respect to

some of the OPA officials who have gone about harassing persons. I think it would be better to place OPA enforcement in the hands of United States district attorneys than in the hands of civil-service employees with no background of experience. Congress can write a law, but the suggestion that a bad Federal administrative situation can be cured merely by reducing the number of employees engaged in doing the work required by the act, to my way of thinking, is not tenable.

Mr. WHERRY. Mr. President, there is one more thing which I should like to say. In the testimony of witnesses who had been persecuted by gestapo methods of the OPA it was shown almost entirely that the witnesses blamed Congress for the gestapo methods which were being used. I think it is time for the Congress to make clear and plain that it does not sanction such type of law enforcement. I think the record should show that such methods were conceived in the enforcement division of the OPA, and that they do not have the sanction of Congress.

Mr. HAYDEN. When the time comes again to extend the life of OPA I shall be willing to cooperate with the Senator from Nebraska in writing a law to prevent the things being done about which he has complained. But in the meantime, believing as I do that the responsibility is on the Congress, I am not willing to have it said that the reason for lack of enforcement is that Congress is so niggardly it will not appropriate the money necessary in order properly to do the job.

Mr. BRIDGES. Mr. President, the Senator from Arizona speaks about Congress being niggardly. I think that is the most absurd statement I have heard. Congress has not been niggardly in appropriating money for the OPA, or for any other Federal agency. Congress has been far too liberal. If we start now to cut down a few appropriations it will be in accordance with good common sense.

Mr. McKELLAR. Mr. President, I am afraid we will not reach a vote this afternoon.

Mr. WHERRY. Oh, let us vote on the amendment. Let the other amendment go over until tomorrow.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 4, line 2, to strike out "\$1,854,000" and insert "\$927,000."

Mr. MAYBANK. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BALL. Mr. President, before a vote is taken on the committee amendment I wish to point out that in addition to an appropriation of \$1,854,000 the OPA wishes to add by July 1 2,881 more employees than it had planned to have on that date; 53 of those employees are to be added to the OPA's information department, resulting in that department having 487 employees in carrying on its propaganda program. One hundred and fifty-five employees would be added to accounting. One thousand, five hundred and eighty-five employees would be added to enforcement. That would make a total of 5,964 employees in enforcement as compared with 6,022

on July 1, 1945, when OPA's task was at its peak, and when it was rationing meat, vegetables, and nearly everything else. It now has only one rationing program, namely that of sugar. There would be added only 538 employees to the Price Division, and 550 in the Rent Division. Under the reduction proposed by the committee, the OPA would be enabled to more than take care of the additions to their staff.

The **PRESIDING OFFICER**. The question is on agreeing to the amendment on page 4, line 2, which will be stated.

The **CHIEF CLERK**. On page 4, line 2, under the subhead "Office of Price Administration", after the numerals "1946," it is proposed to strike out "\$1,854,000", and insert "\$927,000."

The **PRESIDING OFFICER**. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. **BRIDGES** (when his name was called). I have a general pair with the Senator from Utah [Mr. **THOMAS**]. If he were present he would vote "nay." If I were permitted to vote I should vote "yea."

The roll call was concluded.

Mr. **HILL**. I announce that the Senator from Virginia [Mr. **GLASS**] and the Senator from New York [Mr. **WAGNER**] are absent because of illness.

The Senator from Florida [Mr. **ANDREWS**] and the Senator from Utah [Mr. **THOMAS**] are necessarily absent.

The Senator from Pennsylvania [Mr. **GUFFEY**] is a member of the committee attending the funeral of the late Representative from Pennsylvania, Hon. J. Buell Snyder, and is therefore necessarily absent.

The Senator from Mississippi [Mr. **EASTLAND**], the Senator from Illinois [Mr. **LUCAS**], and the Senator from Texas [Mr. **O'DANIEL**] are detained on public business.

The Senator from Montana [Mr. **MURRAY**] and the Senator from Idaho [Mr. **TAYLOR**] are absent on official business.

The Senator from Texas [Mr. **CONNALLY**] is absent on official business as a representative of the United States to the General Assembly of the United Nations.

The Senator from Louisiana [Mr. **ELLENDER**], the Senator from Maryland [Mr. **TYDINGS**], and the Senator from Massachusetts [Mr. **WALSH**] are detained at an important committee meeting.

The Senator from Nevada [Mr. **McCARRAN**], the Senator from Wyoming [Mr. **O'MAHONEY**], the Senator from Georgia [Mr. **RUSSELL**], and the Senator from Montana [Mr. **WHEELER**] are absent on official business at various Government departments.

If present and voting, the Senator from Louisiana [Mr. **ELLENDER**], the Senator from Pennsylvania [Mr. **GUFFEY**], the Senator from Illinois [Mr. **LUCAS**], the Senator from Montana [Mr. **MURRAY**], the Senator from Idaho [Mr. **TAYLOR**], the Senator from New York [Mr. **WAGNER**], and the Senator from Massachusetts [Mr. **WALSH**] would vote "nay."

If present and voting the Senator from

Nevada [Mr. **McCARRAN**] and the Senator from Maryland [Mr. **TYDINGS**] would vote "yea."

Mr. **WHERRY**. The Senator from Illinois [Mr. **BROOKS**] is recovering from a recent operation.

The Senator from Indiana [Mr. **CAPEHART**] is absent by leave of the Senate on official business of the Small Business Committee, of which he is a member.

The Senator from Kansas [Mr. **REED**], who is detained on official business, has a general pair with the Senator from New York [Mr. **WAGNER**].

The Senator from Wisconsin [Mr. **WILEY**] has been excused. He is absent on official business.

The Senator from Maine [Mr. **BREWSTER**], the Senator from Massachusetts [Mr. **SALTONSTALL**], and the Senator from New Hampshire [Mr. **TOBEY**] are detained in an important committee meeting.

The result was announced—yeas 45, nays 25, as follows:

YEAS—45

Austin	Gerry	Radcliffe
Bailey	Gurney	Revercomb
Ball	Hart	Robertson
Bilbo	Hawkes	Shipstead
Briggs	Hickenlooper	Smith
Buck	Hoey	Stanfill
Bushfield	Johnston, S. C.	Stewart
Butler	Langer	Taft
Byrd	McClellan	Thomas, Okla.
Capper	McKellar	Vandenberg
Carville	McMahon	Wherry
Cordon	Maybank	White
Donnell	Millikin	Willis
Ferguson	Moore	Wilson
George	Overton	Young

NAYS—25

Aiken	Hayden	Mead
Bankhead	Hill	Mitchell
Barkley	Huffman	Morse
Chavez	Johnson, Colo.	Murdock
Downey	Kilgore	Myers
Fulbright	Knowland	Pepper
Gossett	La Follette	Tunnell
Green	McFarland	
Hatch	Magnuson	

NOT VOTING—26

Andrews	Guffey	Taylor
Brewster	Lucas	Thomas, Utah
Bridges	McCarran	Tobey
Brooks	Murray	Tydings
Capehart	O'Daniel	Wagner
Connally	O'Mahoney	Walsh
Eastland	Reed	Wheeler
Ellender	Russell	Wiley
Glass	Saltonstall	

So the amendment was agreed to.

NATIONAL HOUSING POLICY

Mr. **McFARLAND**. Mr. President, is it the intention of the majority leader to finish the consideration of the appropriation bill this evening?

Mr. **BARKLEY**. No.

Mr. **McFARLAND**. When will we adjourn to?

Mr. **BARKLEY**. I propose to ask that we go over until Friday.

Mr. **McFARLAND**. I desire to detain the Senate for but a few minutes, but I wish to ask unanimous consent to have printed and referred to the Committee on Banking and Currency two amendments which I expect to offer to Senate bill 1592. I also ask that the amendments be printed following my remarks.

The **PRESIDING OFFICER**. Is there objection? The Chair hears none, and it is so ordered.

Mr. **McFARLAND**. Mr. President, that this country faces a crisis in housing

is clearly evident to all who know anything of the problem. A 5-year moratorium in the building of dwelling units coupled with an increase in population, the return of millions of our soldiers and sailors who desire to establish homes, and a shortage of building materials, all combine to produce this critical situation.

Something must be done to alleviate this condition. None of us can be indifferent to its importance to the Nation both from a social and economic standpoint. There is no need to recite platitudes. The home is the foundation stone of family life; ownership or occupation of a decent home is essential to the growth of a strong democracy. There is an intimate relationship between the quality of the place where men and women live and the sense of responsibility that they, as citizens, will have. There can be little argument that clean, wholesome, and sanitary housing facilities and a clean, decent, and happy environment have a direct bearing on the amount of disease and crime in any community.

Not everyone can own a home, but to the degree that home ownership can be increased will we have increased the strength and stability of our democratic institutions. Home ownership brings a sense of responsibility to the individual which makes him a better citizen, alertly interested in the economic and financial policies of his Government.

For this reason, if for no other, the pending Wagner-Taft-Ellender housing bill is deserving of our most intelligent and serious consideration. It broadens present law in the direction of making possible a far larger percentage of individual home-ownership in this country. That is all to the good.

But, Mr. President, though the objective is good, the method may carry with it grave dangers for our economy—and even for our form of government. I refer, of course, to the plan for so-called national housing; in short, to the idea of federally promoted housing, to the idea of putting the Federal Government into the housing business.

Mr. President, we have grown accustomed in these recent years to call on the Federal Government far too much. I am not criticizing; I am merely commenting and pointing out. We have come through a grievous war in which the individual has been subordinated to the state. That is necessary in war; but it is a concept wholly alien to the theory of free democratic government. Somewhere, somewhere, we will have to call a halt; somewhere, somewhere, we must return to the idea of individual initiative and personal enterprise. If we do not do it soon, and do it completely, we will drift inevitably into state socialism; into a system in which a paternalistic state does everything for the citizen. And, of course, the corollary of that is self-evident—the state feeds on itself, becomes increasingly powerful at the expense of the individual, and democracy becomes a hollow sham—a fondly remembered dream.

Mr. President, I am fully aware that there are crises in which only the power of the Federal Government is ample to cope with a problem. Such crises may

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OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section

79th-2nd, No. 36

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued March 4, 1946, for actions of Friday, March 1, 1946)

(For staff of the Department only)

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HIGHLIGHTS: Both Houses appointed conferees on measure authorizing 1946-program subsidies. Senate passed urgent deficiency appropriation bill. House continued debate on Patman housing bill. Agreed to Committee amendment to provide for price control on only new housing.

HOUSE

1. HOUSING. Continued debate on H. R. 4761, the Patman housing bill, which provides for price control and subsidies (p. 1865-84). Agreed, 154-68, to the Committee amendment to provide for price control on only new housing (pp. 1865-73).
2. SUGAR RATIONING. Rep. Phillips, Calif., stated that sugar certificates have been sold in the Los Angeles OPA office (p. 1885-6).
3. ALCOHOL. Rep. Rees, Kans., criticized use of food for liquor (p. 1886-7).
4. CORN SHORTAGE. Rep. Jenkins, Ohio, criticized the corn shortage and stated that there are "conflicting agencies" dealing with the matter (p. 1863).
5. PERSONNEL; APPROPRIATIONS. Received from the President a supplemental appropriation estimate of \$175,000 for the Civil Service Commission. To Appropriations Committee. (H. Doc. 492.) (p. 1887.)
6. FORESTRY RESEARCH. Received a Monroe, Wis., Chamber of Commerce resolution favoring a forestry-research station in Wis. (p. 1888).
7. PRICE CONTROL. Received a Woodbury, N. J., Council resolution favoring exemption of States and subdivisions from price-control regulations (p. 1888).
8. APPROPRIATIONS COMMITTEE. Reps. Neely, W. Va., and Flood, Pa., were elected to this Committee (p. 1862).

9. ADJOURNED until Mon., Mar. 4 (p. 1887). Majority Leader McCormack announced the program for this week, as follows: Mon., consent calendar, followed by Patman housing bill and agricultural appropriation bill; Tues., private calendar, followed by agricultural appropriation bill, second appropriation rescission bill, and civil-service retirement bill during most of the remainder of the week (p. 1863).

SENATE

10. URGENT DEFICIENCY APPROPRIATION BILL. Passed with amendments H. R. 5458, which contains the \$100,000,000 loan authorization for REA (pp. 1834-52). Rejected, 52-23, a Committee amendment to give EPC authority to determine areas where REA generating plants may be constructed (pp. 1834-52). Had previously agreed to amendments reducing amounts for CPA and OPA. Sens. McKellar, Glass, Hayden, Tydings, Russell, Brooks, Bridges, and Gurney were appointed conferees (p. 1853).
11. SUBSIDIES. Both Houses appointed conferees on H. J. Res. 301, to authorize payment of subsidies for the 1946 programs (for provisions see Digest 33). These were Sens. Barkley, Downey, Murdock, Tobey, and Taft; and Reps. Spence, Brown, Patman, Wolcott, and Crawford (pp. 1853, 1865).
12. HOUSING. Received a Calif. Legislature resolution favoring S. 1592, to establish a national housing policy (p. 1828).
13. FLOOD CONTROL. Received a Barnes County (N. Dak.) Board of Commissioners' resolution urging the construction of the Bald Hill Reservoir on the Sheyenne River, N. Dak. (p. 1830).
14. PERSONNEL. Received a report from the Public Lands and Surveys Committee showing employees detailed to that Committee from this Department during February, 1946 (p. 1830).
15. ST. LAWRENCE WATERWAY. Sen. Langer, N. Dak., inserted former President Herbert Hoover's letter favoring this project (p. 1834).
16. RESEARCH. Discussed S. 1248, to establish a Bureau of Scientific Research in the Commerce Department to handle patent and invention research and offer the results to the public (pp. 1853-5).
17. ADJOURNED until Tues., Mar. 5 (p. 1859).

BILLS INTRODUCED

18. RECLAMATION. S. 1881, by Sen. O'Mahoney, Wyo. (for himself and Sen. Hayden, Ariz.), to provide for the flow of revenues from Federal reclamation projects into miscellaneous receipts of the Treasury and to provide that revenues from Federal reclamation projects hereafter financed wholly from general funds of the Treasury shall be converted into miscellaneous receipts of the Treasury. To Irrigation and Reclamation Committee. (p. 1831.) Remarks of author (p. 1855).
19. EXTENSION WORK; TERRITORIES. S. 1884, by Sen. Langer, N. Dak., to authorize an appropriation of \$3,750,000,000 to establish and maintain agricultural colleges in Alaska, Hawaii, and Puerto Rico. To Agriculture and Forestry Committee. (pp. 1831, 1856.) Remarks of author (p. 1856).

would head an executive committee in behalf of Senator RADCLIFFE's renomination.

For the first time, except one, in Governor O'Connor's political career, Mr. Dennis said, he finds it necessary to oppose him in the primary for the senatorial seat.

ANXIOUS TO SERVE

"Many years, many men have passed since I left the political field, as, I supposed, never to return, to watch the game as an interested spectator from the sidelines," said Mr. Dennis. "Now I find myself anxious to serve in any capacity within the scope of my abilities in the aid of the candidacy of Senator GEORGE L. RADCLIFFE.

"For the first time, except one, in his long political career the State's attorney, attorney general, governor—I cannot back Governor O'Connor, a matter of sincere regret, for our relations have been close.

"It is no reflection upon him that I now support his rival for nomination as United States Senator, not for personal reasons, but upon impersonal public grounds which in my judgment should be controlling upon the Democratic voters of the State at large."

RADCLIFFE'S HANDICAPS

"Senator RADCLIFFE starts with seeming practical political handicaps. He is not a politician by profession, practice, or by background. He started out in life from the farm to teach—and to specialize as a student of history. He took his learned degree of doctor of philosophy, wrote a biography of acknowledged merit, seemed dedicated to lifelong scholarship.

"Then he studied law, stood second in his class, became head of the legal department of a security company, and now is recognized as one of the leading men in the surety business in America—poor preparation for practical politics.

"He has built up no political machine to automatically register his nomination, never will, never tried to. So he is handicapped if a machine equipped and greased by patronage and professionals must be necessary to success."

SUPPORT WELL ORGANIZED

"But he has well-organized support, voluntary support. Among his active backers are office holders, high and low, State central committeemen, party workers, and those who seldom vote—a strange trait."

"Senator RADCLIFFE can't cultivate a grudge, is no 'denouncer,' is forgiving, trusts people even after proof of unworthiness. People do diabolical things to him and next time he serves them willingly, smilingly, just the same.

"Nor is he partisan. He has an idea his services belong to anyone, everyone. Hence men of high and low degree, of all political affiliations, in business and in office alike, find him approachable, amiable, infinitely kind and obliging.

"The old political schoolmasters I knew taught no such political doctrines. Gouge, gore opponents; keep all the prizes, benefits, and emoluments; forget, forgive no enemy. Such was their catechism, their mottoes upon the caucus-room walls."

RADCLIFFE UNORTHODOX

"But Senator RADCLIFFE is unorthodox throughout. He became invaluable to his company, not as master of routine but in stranger fields as 'trouble shooter' idea man, pioneer thinker, policy maker, diplomat. A colleague said: 'Give GEORGE time enough and let him do it his own way and he will move the Pyramids from Egypt to Druid Hill Park.

"Again, he lacks selfishness, will not claim even his due; has no flair, no gift for showmanship, does a thousand good turns for just and unjust; then forgets them. At least, he never reminds the debtor of the debt.

"Nor does he make politics his master. Even in campaigns he puts a tremendous amount of time on the polio campaigns, on

historical subjects, and a lot of other matters when perhaps his political welfare would require that he devote such precious time to campaigning."

HE WILL WIN THIS TIME, TOO

"Defying all orthodox political patterns and while bearing those same handicaps, heretofore he has won in every primary—and he has faced fierce ones—and in every election.

"He will win this time, too. For the masses love him, respect him, vote for him, and the politicians admire him for being the loyal friend and magnanimous sportsman he is.

"The controlling reasons for returning RADCLIFFE to the Senate are his immense utility to the State and Nation, and the superb energy, intellect, and fidelity he applies to his duties; all with signal success.

"Corporations in Maryland, now wonderfully prosperous, owe their existence in large part to Senator RADCLIFFE's subtle intellect, character, and influence in Washington. His thorough understanding of the country's war problems, his faithful devotion to every measure, every effort to win the war cannot be overestimated."

UNDERSTANDING CHAMPION

"The shipping and banking interests of the country, as do many others, know how earnest, helpful, and able he is. Cannery, seafood dealers, farmers, poultry raisers, industries of every type in Maryland find in him an understanding champion.

"No successor can fall heir to the good will, of the seniority claims to powerful committees, or experience he has acquired in eleven active, busy years, which include the most terrible and troubled years in our history.

"He likes everybody. He has courageously voted upon many, many highly controversial measures—damned-if-you-do, damned-if-you-don't measures.

"Therefore I do not embrace all his friends; nor do I agree with all his votes. But at that, no Senator I ever knew, including my mentor, patron, and best friend, Senator John Walter Smith, on the whole, was ever more sound, sane, and right."

WORLD STEEPED IN SORROW

"The time has passed when our sympathetic Senator must seek to ease the anxiety or bereavement of parents whose offspring—as did his son—bore the dangers of war and who faced its gigantic tragedy. The shooting is over. Yet the whole world is steeped in sorrow.

"The United States is in a quagmire of difficulty and division. The task of reconstruction is, of course, too vast for computation or for successful treatment. Something—it may be only a little—may be done by using the best instruments available to forestall chaos.

"Who will say that we should do any less than our best; that we owe anything less to this created-suffering earth, especially to our own torn, demoralized country, groping to find solutions for its war-created griefs?

"Which means at the instant that we hold fast to that man who has demonstrated his worth in the Senate, that man who has of his own ability and quality won influence and no little fame in Washington; who has acquired an expert knowledge and experience which only schooling for years and years in the Senate itself can possibly supply to anyone, whatever his gifts and natural abilities may be."

Mr. McKellar. Mr. President, I should like to read a paragraph from this article.

Senator RADCLIFFE can't cultivate a grudge; is no denouncer; is forgiving; trusts people even after proof of unworthiness. People do diabolical things to him and next time he serves them willingly, smilingly, just the same.

Nor is he partisan. He has an idea his services belong to anyone—everyone. Hence men of low and high degree, of all political

affiliations, in business and in office alike find him approachable, amiable, infinitely kind and obliging.

Mr. President, this article is so entirely in agreement with my own view about our colleague, GEORGE RADCLIFFE, that I wish to place it in the RECORD, and I ask Senators of all political persuasions to read it tomorrow. They will enjoy the beautiful statements which are made about the Senator from Maryland.

TWENTY-FIFTH ANNIVERSARY OF THE AMERICAN CIVIL LIBERTIES UNION—MESSAGES FROM PRESIDENT TRUMAN AND GOVERNOR DEWEY OF NEW YORK

Mr. GUFFEY. Mr. President, last November the American Civil Liberties Union celebrated its twenty-fifth anniversary. It is appropriate that that occasion should be noted in the CONGRESSIONAL RECORD, and I, therefore, ask that there be printed in the RECORD as a part of these remarks, messages addressed to the union on that occasion by the President of the United States and the Governor of the State of New York.

There being no objection, the messages were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,

Washington, D. C., November 24, 1945.

Dr. JOHN HAYNES HOLMES,

Chairman, Board of Directors, American Civil Liberties Union, New York:

I sent you warm greetings upon the completion of 25 years of fighting for the civil rights of all Americans. The union is most publicized for its protection of minority groups, but I know that your over-all objective is that inherent constitutional privileges be granted to every person, citizen, or alien, with no thought of race, color, or creed. I know, too, that you fight for the rights of majorities threatened by illegal monopoly and repression.

I believe with your members that whatever a man's political thinking, whatever his background, environment, or education, he must, if he be a real American, respect the aims of organizations such as yours. The integrity of the American Civil Liberties Union and of its workers in the field has never been, and I feel, never will be questioned. Officers, directors, and members of the union have performed outstanding service to the cause of true freedom.

HARRY S. TRUMAN.

NOVEMBER 23, 1945.

Dr. JOHN HAYNES HOLMES,

Chairman, Board of Directors, American Civil Liberties Union.

DEAR DR. HOLMES: I am happy to send warm greetings to all members of the American Civil Liberties Union and all men and women present at the national convention you are holding on November 24, on the theme "What's Ahead for American Liberties."

It is a matter of just pride to the citizens of New York State that the American Civil Liberties Union was incorporated under the laws of the Empire State on whose soil so many hotly contested struggles for the liberty and dignity of the individual were fought and won, struggles not only on the battlefield but in the courts and other arenas of the unending contest for freedom.

Of the quarter century of your existence you have established an enviable record. You have established, also, beyond all possible doubt, proof that the American Civil Liberties Union is an essential part of American life. It is essential not merely to the individuals whom you have helped against injustice, but to the self-respect of the community and of all citizens who appreciate

our priceless heritage of personal, political, and religious liberty and regard for the dignity of the individual.

The war for freedom is an endless one. The worst attacks are those which do not affect the majority—the insidious attacks. Without the American Civil Liberties Union there would be no organization to take up the cudgels for lone, oppressed individuals.

It has been inspiring to observe that the American Civil Liberties Union has stood unwavering on the principle of defending everybody's rights without distinction. It has championed the rights of unions and of employers, of union workers and nonunion workers, of Catholics, Protestants, and Jews. On the racial front it has stood firmly for the liberty of every racial minority.

It is a pleasure, therefore, to hail the gallant part that the American Civil Liberties Union has taken in upholding the principles for which this Republic was founded and to extend my warm wishes for continuing success.

Sincerely yours,

THOMAS E. DEWEY.

ST. LAWRENCE SEAWAY AND POWER PROJECT

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter dated February 12, 1946, dealing with the St. Lawrence seaway and power project, addressed by former President Herbert Hoover to the Senator from New Mexico [Mr. HATCH], chairman of the subcommittee of the Senate Foreign Relations Committee.

I also ask unanimous consent to have printed in the RECORD an editorial entitled "A Strong Case for the Seaway," published in the Watertown (N. Y.) Times of February 21, 1946, dealing with the same subject.

There being no objection, the letter and the editorial were ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., February 12, 1946.

Hon. CARL A. HATCH,

United States Senate, Washington, D. C.

MY DEAR SENATOR: I have your request for my views upon the construction of the St. Lawrence waterway.

At my instance, as Secretary of Commerce, President Coolidge in 1924 created the first St. Lawrence Waterway Commission. I served as chairman of that body until 1928. A parallel body was created by the Government of Canada and under the two commissions exhaustive economic and engineering investigations were completed. The economic studies demonstrated great public usefulness of the undertaking and the engineering studies greatly advance the engineering problems.

In 1929, as President, I initiated negotiations for a treaty with Canada providing for the construction of the waterway and settling various interrelations in respect to it. This treaty was signed on July 18, 1932, and was sent by me to the Senate with an urgent recommendation for its ratification.

During this period of nearly 8 years of close association with the problem, I made something like 30 statements, addresses, and reports, and appeared a number of times before congressional committees, all advocating the undertaking. In those statements I canvassed the reasons for and against the construction, and, except for minor changes which time implies, those statements are applicable today.

No doubt these statements and reports can be had from the files of the Department of Commerce if they are wanted, and it is unnecessary for me to repeat the gist of them now.

I did not at the time of my association with the problem believe—and I do not now be-

lieve—that the Federal Government should undertake to operate and distribute the electric power which will be a byproduct of the enterprise. The sale of the power on a long-term contract to public bodies and private power companies under regulations which protect the consumer, as in the case of the Colorado River Dam, will be in much greater public interest.

I do not consider the construction of the waterway will injure the existing American transportation system or our ports. The natural increase in goods movement which should take place during the long period of construction should more than compensate any diversion.

Nor should we begrudge any added prosperity to Canada that may come from this enterprise, for her prosperity is as much our prosperity as that of any group of our own States.

It was obvious in 1924 that aside from its great peacetime importance, the waterway would have been of immense value in prosecuting World War I. Had the treaty of 1932 been ratified at that time, and construction followed, the waterway would have directly or indirectly paid for itself several times over in World War II. There can be no doubt as to its value as a defense measure.

From an economic point of view, it could be said as an axiom that every improvement of transportation brings not only visible economic benefits but a host of invisible ones—for cheapening of transport benefits both the producer and the consumer in lessening costs. I have no hesitation in my belief as to the economic value of the project.

I remain,

Yours faithfully,

HERBERT HOOVER.

[From the Watertown (N. Y.) Times of February 21, 1946]

A STRONG CASE FOR THE SEAWAY

Seaway advocates have had their innings at the Washington hearings this week. They have presented a strong case, stronger, it seems to us, than has been presented at other hearings in the past. Testimony was well organized. Witnesses were on hand from all sections of the country and the evidence was factual and convincing.

Here are some of the important points already established:

1. The seaway and the power development will be less costly than any comparative development ever made in this country for the reason that the work is already largely completed. Only the International Rapids remain to be canalized.

2. The St. Lawrence power is the largest undeveloped hydroelectric power in the United States and, once developed, can be sold at a fraction of the cost of electric energy generated by steam.

3. The argument that development of the St. Lawrence power will result in a decreased use of coal is refuted by what happened after the TVA development. The use of coal increased in the territory served by this development.

4. The old allegation that organized labor is against the seaway was disproved by representatives of the CIO textile workers and the CIO auto workers, totaling about 2,000,000 members, who expressed themselves as strongly in favor of the project.

5. It was again established that the seaway is enthusiastically favored by the Board of Army Engineers. A former Chief of this Board testified that, if the cost of the seaway were 50 percent higher than estimated, it would still be economically justified.

William T. Field, of this city, who heads the delegation from the Northern Federation of Chambers of Commerce, added considerably to the strength of the seaway case by his testimony given yesterday. So did the brief of Frank Augsbury, of Ogdensburg, filed

by Mr. Field. It was Mr. Field who laid before the committee the figures regarding the use of coal in the Tennessee Valley. It was Mr. Augsbury who pointed out that lack of cheap power in northern New York was closing industries.

Later on the opponents of the seaway will have their opportunity. That there will be strong opposition we all know from experience, but this time the seaway foes will have a strong case to overcome. The seaway advocates have done well.

RETURN TO LIBERTY—ADDRESS BY SENATOR TAFT BEFORE MISSOURI REPUBLICAN CLUB

[Mr. TAFT asked and obtained leave to have printed in the RECORD an address entitled "Return to Liberty," delivered by him before the Missouri Republican Club; at Kansas City, Mo., on February 12, 1946, which appears in the Appendix.]

RETURN TO JUSTICE—ADDRESS BY SENATOR TAFT TO REPUBLICANS OF TEXAS

[Mr. TAFT asked and obtained leave to have printed in the RECORD an address entitled "Return to Justice," delivered by him to the Republicans of Texas, at Dallas, Tex., on February 14, 1946, which appears in the Appendix.]

WHAT SHOULD WE DO ABOUT THE BRITISH LOAN?—STATEMENT BY SENATOR JOHNSON OF COLORADO

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD a statement entitled "What Should We Do About the British Loan?" made by him at a round-table discussion on American Forum of the Air on February 26, 1946, which appears in the Appendix.]

BROTHERHOOD OR BOMBS, WHICH?—ADDRESS BY FREDERICK TAYLOR WILSON

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an address entitled "Brotherhood or Bombs—Which?" delivered by Frederick Taylor Wilson at the Church of the Reformation, in Washington, D. C., on February 28, 1946, which appears in the Appendix.]

REPLY OF ROBERT R. WASON TO CRITICISM BY CHESTER BOWLES OF PRICE-CONTROL ATTITUDE OF THE NATIONAL ASSOCIATION OF MANUFACTURERS

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD a radio address delivered by Robert R. Wason, president, National Association of Manufacturers, in reply to criticism by Mr. Chester Bowles of the attitude of the National Association of Manufacturers on price control, which appears in the Appendix.]

THE ORDNANCE VICTORY SYSTEM—ARTICLE BY LT. GEN. L. H. CAMPBELL, JR.

[Mr. RUSSELL asked and obtained leave to have printed in the RECORD an article entitled "The Ordnance Victory System," written by Lt. Gen. L. H. Campbell, Jr., Chief of Ordnance, and published in the spring, 1946, issue of the magazine Dixie Business, which appears in the Appendix.]

RESTORATION OF FORD'S THEATER

[Mr. YOUNG asked and obtained leave to have printed in the RECORD an article entitled "Plan to Restore Ford's Would Fill Last Panel in the Lincoln Tragedy," written by Nelson B. Bell, and published in the Washington Post of February 24, 1946, which appears in the Appendix.]

URGENT DEFICIENCY APPROPRIATION ACT, 1946

The Senate resumed consideration of the bill (H. R. 5458) making appropri-

tions to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

The PRESIDING OFFICER. The remaining amendment of the Committee on Appropriations will be stated.

The amendment was, under the heading "Department of Agriculture—Rural Electrification Administration," on page 4, line 10, after the word "amended", to insert a colon and the following proviso: "Provided, That no part of this fund shall be available to the Rural Electrification Administration for the making of any loan for the construction of a generating plant unless the Federal Power Commission shall first certify that there is not sufficient electric current available in the area concerned at reasonable rates."

Mr. GURNEY obtained the floor.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. GURNEY. I yield to the Senator from Tennessee.

Mr. McKELLAR. This amendment was offered in committee by the distinguished Senator from South Dakota. He made the argument that this appropriation was for the purpose of extending rural electric lines to the people of the country rather than to build electric plants, and that where electricity could be procured from existing lines at reasonable prices it was useless to spend most of this money or a very large part of it for building electric plants, but that the principal work should be the building of the lines. As I recall, the committee unanimously agreed with him. I think that statement is a correct one. I think there were no opposing votes.

Mr. RUSSELL. Mr. President, I was not present in the committee when the bill was acted on, but I was opposed to the amendment.

Mr. McKELLAR. I do not think the Senator from Georgia was present at the time, because, as I remember, the vote for the amendment was unanimous. However that may be, the amendment was proposed by the Senator from South Dakota. That is all I desire to say.

Mr. BILBO. Mr. President, will the Senator yield?

Mr. GURNEY. For what purpose?

Mr. BILBO. I should like to ask the Senator from Tennessee [Mr. McKELLAR] a question.

Mr. GURNEY. On the pending amendment?

Mr. BILBO. Yes.

Mr. GURNEY. First, I should like to make an opening statement, if I may.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. GURNEY. I yield to the Senator from Washington.

Mr. MAGNUSON. Mr. President, I rise for the purpose of making a point of order against the pending amendment, on the ground that it is legislation on an appropriation bill. The amendment itself would alter the basic policy of the Rural Electrification Act. It goes to the very core of the intention of the act. I therefore make the point of order.

Mr. McKELLAR. Mr. President, I wish to be heard on the point of order.

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). The Chair overrules the point of order, and holds that the amendment is not general legislation, but constitutes a limitation upon the use of the funds provided for in the bill.

Mr. McKELLAR. I thank the Chair. It is not necessary that I be heard.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. As I understand, the Chair construes the amendment to be a limitation, rather than legislation.

The PRESIDING OFFICER. The Chair holds that the amendment is not general legislation, but constitutes a limitation upon the use of the funds provided for in the bill.

Mr. GURNEY. Mr. President, I believe it is the intention of Congress in appropriating money for rural electrification lines to furnish electricity for farms. Therefore in presenting this amendment to the Committee on Appropriations I sought to justify the amendment on the basis that we should allocate these funds for farm-line building, so as to serve as many farmers as possible with rural electric lines.

The background for my amendment originated 3 or 4 years ago, at which time I had quite a bit of information—and still have it in my files—to the effect that in several States in the Northwest REA funds had been allocated and used for the purpose of purchasing small, municipal light plants, small privately owned light plants in villages, small towns, larger towns, and even possibly cities, if we consider a city to be a community of more than 5,000 population. REA funds appropriated by Congress were used to build or buy generating plants, thereby cutting down the number of farm lines which could actually be built. In some instances, with the aid of the electricity furnished to the citizens of those towns, it was possible to show a profit on such lines.

I feel that Congress wants farm lines built, and farm lines only. I did not offer this amendment in any way to stop the building of farm lines, or in any way to hinder the REA Administrator in the efficient administration of the funds appropriated by Congress to be allocated by him. Under the terms of the pending amendment, the Administrator would be required to obtain certification from the Federal Power Commission that electricity is not available at reasonable rates. He would then have full authority to build such generating plants as might be needed in any area.

I shall not speak at length on this amendment. It is submitted to the Senate on an open and aboveboard basis. It would not stop the REA for any length of time if it had a bona fide project to which it wished to allocate funds.

I ask for the adoption of the amendment.

Mr. BUTLER. Mr. President, will the Senator yield for a question?

Mr. GURNEY. I yield.

Mr. BUTLER. I dislike very much not to be in agreement with the distin-

guished Senator from our neighbor State; but I wonder if he thinks there would be any danger of the Administrator of the rural-electrification program attempting to build a generating plant when it would definitely cost more than to buy current from the available source, whatever it might be?

Mr. GURNEY. Yes. I am sure the evidence is quite conclusive that generating plants have been built, are now in process of construction, and are contemplated to be built later, under circumstances in which the cost of generating power with REA funds is much higher than the cost of purchasing electricity from available sources.

Mr. BUTLER. I have not had the years of experience which the distinguished Senator has had in South Dakota in connection with this program; but the experience which I have had up to date indicates an extremely economical administration by the officers of the REA. Personally I am not worried about them making a contract which is not to the best interests of the customers whom they are trying to serve.

Mr. GURNEY. Let me say to the Senator that if the REA can show that exorbitant rates are being charged, it will not be hurt by this amendment in any manner, shape, or form.

Mr. BUTLER. At one time the REA was an independent agency. Personally I think it should still be an independent agency. However, it was placed under the Department of Agriculture, and now if in order to carry on its program it must clear its way with some other Federal bureau or department, it means further delay. We have had delay enough in these programs, and I am anxious to see them proceed without undue delay.

Mr. GURNEY. If the Senator from Nebraska will permit a question in return, does he feel that the REA should establish an organization so as to have at its fingertips the available power in every section, State, and area of the whole United States? My information is that the Federal Power Commission has all the necessary information, and that it acts as a Federal agency for all branches of the Government when it comes to the question of power. It furnishes information to the Bureau of Reclamation and to the Army engineers. It can furnish such information to REA. Let me ask the Senator from Nebraska just what the function of the Federal Power Commission is if it is not meant to be an expert agency on the question of electrical energy all over the United States?

Mr. BUTLER. I am certain that if the REA or any other Government agency needs information which is in the possession of the Federal Power Commission it undoubtedly will ask for it. Certainly it has cooperated with the Federal Power Commission in the past. But I do not like to see further restrictions placed upon the REA at this time in furthering its program, because in the postwar era one of the large programs which we are trying to complete for the farmers and producers of the country is the extension of rural electric service. I do not like to see any impediment placed in the way of progress in that direction.

Mr. MAGNUSON. Mr. President, I rise in opposition to the amendment. Let me say to the Senator from Nebraska [Mr. BUTLER] that I believe he is entirely correct.

I agree with the distinguished Senator from South Dakota that the purpose of the REA is to give to farmers as much available electricity as possible. I do not need to go into the history of rural electrification and relate how the farmers of this country were retarded by the very power companies themselves from obtaining electricity for their farms, because of the high cost of power lines. I do not need to go into the history of the REA itself which has done a splendid job and has electrified a great many farms in this country, in some States more than in others. I believe the rural areas of my own State are probably 85 percent electrified at this time. That is an outstanding record. It has been possible because we have the power available. But prior to the time when we had the power available, our State was one of the most backward States of the Union in respect to farm electrification.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. GURNEY. I was wondering whether the Senator had considered that possibly these REA funds might be used in a territory to put up an REA line where public power already was available, but because they did not get along with the public power body they decided to build their own generating plant. Does not the Senator think the Federal Power Commissioner or the Federal Power Commission would be a good arbitrator to step in at that point and say, "Well, power is available from the public body at reasonable rates, and you shall buy it from them."

Mr. MAGNUSON. Of course, I think the Federal Power Commission would be a good arbitrator if it would arbitrate. But this amendment goes to the very heart of the rural-electrification program. It means that all the rural communities that want cheap electricity for the farms would be deprived of their bargaining power with the private power companies. If the private power companies would not give them rates which they considered reasonable, of course they would go to the Federal Power Commission, but the Federal Power Commission could hold up for as long as 1 or 2 years the determination of what was a reasonable rate. I personally have sat in many rate cases, and I know how long they can drag on.

Furthermore, in this amendment there is no restriction which would compel the acceptance of what might be a reasonable rate. The important question in connection with electric power has always been what are reasonable rates. This amendment would delay action in cases in which rural electrification is needed and in which it might be necessary to build a generating plant. The Senator from Nebraska hit the nail on the head when he said, "Why, of course, in the efficient operation of the REA they would not build a generating plant if they were getting reasonable rates." But what are reasonable rates has

always been the question in these cases.

This amendment will do what the Senator from Nebraska said; it will retard the rural electrification program by causing all these questions to be referred to a bureau in Washington, where lengthy arguments may be made on the question of rates. In some instances in the courts rate cases have taken as long as 3½ years before the question was determined.

Although the Senator from South Dakota may be motivated by very laudable aims and a laudable desire to more or less restrict the Rural Electrification Administration to one specific purpose, I think the amendment will do just the opposite.

The Senator from South Dakota mentioned as a reason that there has come to his attention the fact that in the Northwest there are some small communities in which the Rural Electrification moneys have been used, as I understood him to say, for the purpose of purchasing small municipal plants. That is true; but the reason why the Rural Electrification Administration granted the loan and the reason why the plant had to be purchased was that that was the only generating source in the area from which lines could be extended into the nearby rural community.

I think the REA should be in the same position as any other Federal loan agency. If cooperatives or if any group of farmers can come to the REA and can show it a good reason why they should be loaned money, and if it is a good financial risk and if they have paid back almost every loan they have obtained in the past, there should not be any restriction on it. If it is necessary for them to build a generating plant in order to have bargaining power with the electric company, so as to enable them to get reasonable rates, they should be permitted to do so.

But only by means of the Federal Government will rural electrification be extended to the extent that every Senator on this floor wants to have it extended.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. SHIPSTEAD. I agree wholeheartedly with the Senator from Washington. I have had a good deal of personal experience with bargaining for electricity. Where I live the area was surveyed for rural electrification in the winter of 1935. We started in early January. I selected the engineer to lead the survey. We got funds from Emergency Relief. On the basis of that survey we applied for a loan, after the Rural Electrification Agency established by Executive order in early May. We were all ready to get money with which to build a plant. There were three different sources of private enterprise which were generating electricity. We went to them and asked them to furnish us with electricity. They would not even discuss rates with us. They would not even discuss the possibility of giving us any rates. We were able to get them to sit down and discuss rates with us only after we had threatened to go to the Federal Government and request a loan of \$500,000 from the Public Works Administra-

tion to enable us to electrify the area in the State of Minnesota. Then we got a rate, and a very satisfactory rate, because we had bargaining power. We are still getting electricity from the same source.

As the Senator from Washington has said, the amendment would take away the bargaining power of the cooperatives. I have never been in favor of building, by public money, plants for cooperatives, so long as they can get a decent rate from private sources. I would not buy a store and fill it with goods if a merchant would sell to me at a reasonable price; and I feel the same way about electricity.

The cooperatives should be permitted to do their own bargaining and be free. They should not be required to go to the Federal Power Commission and have it come between them and the power interests. They can get competent engineers to advise them regarding what is a just rate, based on the potential power required. The cost can be known. I think that so far the cooperatives have been very successful, generally speaking, in making satisfactory bargains with private industry, and it saves them a great deal of overhead, interest, and so forth. So far as I am concerned, I do not wish to have that program interfered with by turning it over to a commission in Washington, no matter what its name.

Mr. MAGNUSON. Of course, Mr. President, the Senator from Minnesota is exactly correct. This is what happens and what is happening in my State: There may be a bus bar of a public power line in the area, but a private power company is serving the area. Of course, the farmer would just as soon buy the power from the private power company as from the public power bus bar. But the farmers ask the private power company for a rate. The private power company says, "We will give you a rate of so many cents per kilowatt-hour, which we think is a reasonable rate." In the meantime, if the farmers' cooperative or the farmers' group, whether cooperative or not, says, "We do not think it is a reasonable rate," the matter goes to Washington, and that means delay. The actual completion of that electrification line could be delayed so long that sometimes possibly 2 or 3 years would elapse before the matter was settled. The core of the whole thing is the question as to what is a reasonable power rate. Even if the Federal Power Commission then decided what was a reasonable rate, either under this amendment or under the act, no one would have to accept it. They could go on wrangling from then on.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MAGNUSON. I am glad to yield.

Mr. BRIDGES. When the Senator from Washington says that it would require 2 or 3 years, or more, to obtain a decision, evidently he does not believe in the New Deal bureaucracy.

Mr. MAGNUSON. I do not think that a New Deal or a Republican bureaucracy could determine in a short period of time what is a reasonable rate, when, under the rules of the various commis-

sions, private attorneys may appear and call any number of technical witnesses.

Mr. AIKEN. Mr. President, the Senator from New Hampshire has said that the Senator from Washington evidently does not believe in bureaucracy. I would say that the Senator from Washington evidently knows all about the ability of the private utility companies to drag matters out for a number of years through various commissions and courts. I assume that the Senator from New Hampshire also recognizes the ability of the utility companies to drag out issues. Delay is one of their strongest weapons. The Senator from Washington has told us that the threat of generating their own power which the cooperatives are able to exercise in the event the power companies attempt to hold them up on rates has been of benefit to the cooperatives.

Mr. President, I should like to read into the RECORD at this point certain evidence which bears out the statement of the Senator from Washington. I believe that it was on November 21 that Mr. Wickard appeared before the House Committee on Interstate and Foreign Commerce and gave the committee some figures showing what had been saved to the farm cooperatives and the REA cooperatives, through the bargaining power to which reference has been made. I wish to give some examples of savings which have been effected.

The table from which I shall read is headed "Savings accruing to distribution cooperative through the purchase of energy from REA-financed generation-transmission cooperatives which supply power to more than one distribution cooperative." The data covers the States of Minnesota, North Dakota, Wisconsin, and others. Take, for example, the Dairyland Power Cooperative. The private company would not sell them power for less than 1.8 cents per kilowatt-hour.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. AIKEN. I do not know that I have the floor.

The PRESIDING OFFICER. The Senator from Washington [Mr. MAGNUSON] has the floor.

Mr. MAGNUSON. I yield to the Senator from South Dakota.

Mr. GURNEY. Of course, Mr. President, all the Federal Power Commission would have to do would be to certify that 1.8 cents per kilowatt-hour is too high, and they would certainly rule that way, and there would be no delay.

Mr. AIKEN. And, of course, all the power companies of South Dakota would have to do it to go before the Federal Power Commission and drag their case out through several months or year, and the farmers of South Dakota would take a licking.

Mr. GURNEY. The Senator was talking about a case in Wisconsin.

Mr. AIKEN. I will talk about it, if the Senator will allow me.

Mr. HILL. Mr. President, is it not a fact that before any REA funds may be used for the construction, operation, or enlargement of a generating plant, consent from the State public service commission must be obtained? The State

authority, under the law, has to pass on the matter.

Mr. AIKEN. I think that it probably depends upon the State law.

Mr. HILL. Most of the States have authorities covering such matters. Allow me to read from Public Law 605, Seventy-fourth Congress, to provide for rural electrification, and for other purposes. I read from section 4, on page 3: *Provided further*, That no loan for the construction, operation, or enlargement of any generating plant shall be made unless the consent of the State authority having jurisdiction in the premises is first obtained.

Mr. MAGNUSON. Mr. President, the Senator from Vermont [Mr. AIKEN] wishes to place some figures in the RECORD. Of course, in many cases consent of the State authority is engineering consent to use the plant. In many cases it does not deal with rates at all.

Mr. HILL. And in some cases it does deal with rates.

Mr. MAGNUSON. Yes. But I may also say that in the States which have the greatest amount of rural electrification, the Senator's statement would not apply.

Mr. HILL. But in some of the States, it does apply.

Mr. MAGNUSON. Yes.

Mr. AIKEN. Mr. President, I should like to put some figures in the RECORD to show what the REA cooperatives have been able to save through obtaining loans in order to construct their own generating plants. I shall start again with the Dairyland Power Cooperative. It is located, I believe, where the Minnesota, Iowa, and Wisconsin State lines come together. The power company asked 1.8 cents per kilowatt-hour for electricity. The cooperative installed its own generating plant and produced the needed electricity for 1.28 cents per kilowatt-hour, thereby effecting an annual saving of \$330,000 for the farmers of Minnesota, Iowa, and Wisconsin.

Then let us take the Rural Cooperative Power Association. The amount which that company would have been charged was 1.8 cents per kilowatt-hour. The cooperative installed its own plant and generated power for 1.14 cents per kilowatt-hour, thereby saving \$92,000 a year for the farmers of that community.

In the case of the Border Counties Cooperative, the private power company would have charged 1.8 cents per kilowatt-hour. The cooperative was enabled to generate its own power for 1.50 cents per kilowatt-hour, thereby saving to the farmers \$3,600 a year.

In the case of the Minnkota Power Cooperative, the private power company would have charged it 1.8 cents per kilowatt-hour. It was able to produce its own power for 1.33 cents per kilowatt-hour, and thereby was enabled to save \$42,000 a year.

Now let us get down into the State of Iowa. The Federated Cooperative Power Association, which would have had to pay 1.5 cents per kilowatt-hour for electricity, produces its own power at 1 cent per kilowatt-hour, thereby saving \$110,000 a year.

Take the case of the Central Electric Federated Cooperative Association. It would have been required to pay to the

private-power companies 1.5 cents per kilowatt-hour, but it generates its own power for 99 cents per kilowatt-hour, resulting in a saving of \$82,000 a year.

The total savings resulting to these companies was \$659,600 a year.

Mr. President, that is not the whole story, by any means. In many instances it was necessary only for the REA to grant a loan to the cooperative, and the power companies voluntarily reduced their rates to meet the rate at which power could be generated by the cooperative itself.

Here are some cases in Texas. The Brazos Transmission Cooperative and Farmers Generation and Transmission Cooperative was about to be charged by the Texas Power & Light Co. 1.2 cents per kilowatt-hour. The cooperative obtained a loan from the REA, and the Texas Power & Light Co. reduced its rate to 0.56 cent per kilowatt-hour. The result was a saving of \$137,000 annually to the farmers in that part of Texas.

The list I have includes also cooperatives of the States of Arkansas, Louisiana, Oklahoma, Minnesota, Wisconsin, North Dakota, Iowa, Alabama, Mississippi, Georgia, South Carolina, and North Carolina. Other States are not included in this list. But in the States which I have named—15 in all—through the bargaining power, or ability to construct plants for their own purposes, the cooperatives saved the farmers a total of \$2,265,600 annually. That is the sum which those farmers would have had to pay had an amendment such as the one being proposed to the pending bill been incorporated in the REA law.

I wish also to say, if the Senator from Washington will yield to me further—

Mr. MAGNUSON. I yield.

Mr. AIKEN. If this amendment is agreed to, it will handicap and hamstring farmers of this country at a time when it is necessary for them to reduce their costs in every possible way. The cost of labor has greatly increased during the past few years. One way the farmer can meet the increased cost of labor is by installing more electrical equipment and obtaining power at a reasonable rate.

Again I wish to call attention to the fact that during the war many cooperatives which already had their own generating plants were unable to generate sufficient power to meet the expanding number of members who have come into the cooperatives during the last 4 or 5 years. It is necessary now for them to add additional units if they are to meet the demands. If the pending amendment should be adopted, it would be impossible for them to do so without incurring long delay. Assuming that the Federal Power Commission eventually grants authority to construct the additional generating units, it would be months or possibly years before they could get around to doing it. In the meantime, the cooperatives would be absolutely at the mercy of the private utility companies and would have to pay whatever prices were charged them.

I might illustrate by citing an instance in my own State. In Washington County, Vt., a few years ago a rural electric cooperative was organized. They tried

their best to buy power from the local company. They were asked 1.92 cents a kilowatt hour. They did not feel they could pay that, and so they installed a Diesel plant away up in the mountains, where a great deal of power is generated from waterpower. They had to put in a Diesel plant. I do not know what it cost them to generate, but I understand it was about a cent and a quarter a kilowatt hour. The result was that after 3 or 4 years the private utility company made them an offer to furnish them the power they needed for approximately half what they proposed to charge them 4 or 5 years previously.

I see the senior Senator from New Hampshire [Mr. BRIDGES] in the Chamber. I think the rural electrification cooperative in New Hampshire pays about the highest rate charged any cooperative in the country. A letter received a short time ago from George Duncan, the president of that cooperative, informed me that although they had, as I recall, the figure, a base rate of 1.23 cents a kilowatt hour, yet there was an escalator clause in the contract, and other charges, because of which the cost is brought up to almost 3 cents a kilowatt hour. If that New Hampshire electrification cooperative, which has been in financial distress, can find any way to lower the wholesale cost from the 2.8 cents, which I think is the exact figure the president gave me, I say let us help them to do it. At a time such as this we simply must help the farmers lower costs in every way possible.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. AIKEN. I do not have the floor.

Mr. MAGNUSON. I yield to the Senator from Vermont if he desires to yield to the Senator from New Hampshire.

Mr. AIKEN. I think I am practically through, except that I should like to say, Mr. President, that at no time has there been a more determined effort on the part of the utility interests to destroy farm cooperatives, and particularly the REA, than there is at this moment. At no time have they maintained a more powerful lobby in the city of Washington. We meet them in the corridors, we meet them on the elevators, we meet them downtown. I do not think they are aware of the fact that I know them, but I recognize a good many of them, and I know they are here. At no time have they been more active in the construction of spite lines into REA territory which they previously had refused to serve, for the purpose of destroying the efforts of the farm population to better their own condition.

We have had two such instances in my State. In one locality, in Moretown, the REA started construction of several miles of lines. The private-utilities company brought in all their men whom they could get from all over the State and built a line directly alongside the REA line, and the last I heard they were serving only three farms.

Another case arose in the southern part of the State, a case which is now in court, with the utility company defendant. In the small town of Windham there were

about 70 farms and rural residents who wanted to get electricity. They have wanted it for years. They had appealed to the private utility company, but they could not get it, their application being turned down every time. They made their last appeal last July, and were turned down again. They then signed up with the REA, and according to the charge made, which I think is true, the rural cooperative acquired a right-of-way for several miles of line. The cooperative cleared the right-of-way, and then the private-utility company rushed in men and started setting their poles in the right-of-way which had been bought and cleared by the rural electrification cooperative.

Fortunately, ex-Senator Gibson, whom many here know, returned to Vermont about that time and took up the cudgels for the rural electrification cooperative, and by suit and injunction stopped the construction of the private line on the right-of-way which had been acquired and cleared by the rural electrification cooperative.

Mr. President, that illustrates the situation which confronts us now. Propaganda against farm cooperatives is being distributed all over the country, in every town in the United States, and if we accept this amendment we will be aiding in destroying the effort of the farmer to help himself through rural electrification cooperatives.

Mr. President, I ask unanimous consent that the table to which I have been referring be printed in the RECORD in connection with my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Annual savings in the cost of power supplied to REA cooperatives attributable to REA allotments for generation and transmission

A. SAVINGS ACCRUING TO DISTRIBUTION COOPERATIVES THROUGH THE PURCHASE OF ENERGY FROM REA-FINANCED GENERATION-TRANSMISSION COOPERATIVES WHICH SUPPLY POWER TO MORE THAN ONE DISTRIBUTION COOPERATIVE

	Average rate of power companies before REA generating plant was considered	Present average rate charged to member distribution cooperatives by REA-financed generation-transmission cooperatives	Annual savings based on present amount of energy purchased by distribution cooperatives
Minnesota, North Dakota, and Wisconsin:	Cts. per kw.-hr.	Cts. per kw.-hr.	
Dairyland Power Cooperative.....	1.8	1.28	\$330,000
Rural Cooperative Power Association.....	1.8	1.14	92,000
Border Counties Power cooperative.....	1.8	1.50	3,600
Minnesota Power Cooperative.....	1.8	1.33	42,000
Iowa:			
Federated Cooperative Power Association.....	1.5	.00	110,000
Central Electric Federated Cooperative Association.....	1.5	.99	82,000
Total savings.....			659,600

B. SAVINGS RESULTING FROM REDUCTIONS IN THE WHOLESALE POWER RATES OF POWER COMPANIES, DIRECTLY EFFECTED BY REA ALLOTMENTS FOR GENERATION-TRANSMISSION FACILITIES TO SERVE MORE THAN ONE DISTRIBUTION COOPERATIVE

Cooperatives and power companies	Average rate of power companies before REA generating plant was considered	Present average rate	Annual savings to cooperatives based on present volume of power purchased
1. Texas:	Cts. per kw.-hr.	Cts. per kw.-hr.	
Brazos Transmission Cooperative and Farmers Generation and Transmission Cooperative:			
(a) Texas Power & Light Co.....	1.12	0.56	\$137,000
(b) Southwest Gas & Electric Co.....	1.28	.56	96,000
(c) Texas Electric Service Co.....	1.25	.56	31,000
(d) Central Power & Light Co.....	1.35	.70	65,000
(e) Gulf States Utility Co.....	1.29	.825	16,000
2. Arkansas, Louisiana, and Oklahoma:			
Ark-La Cooperative; Kamo Cooperative; Western Electric Cooperative:			
(a) Oklahoma Gas & Electric Co.....	1.2	.6	93,000
(b) Arkansas Power & Light Co.....	1.25	.57	98,000
(c) Public Service Co. of Oklahoma.....	1.3	.70	30,000
(d) Louisiana Power & Light Co.....	1.37	.80	23,000
3. Minnesota, Wisconsin, and North Dakota:			
Dairyland Cooperative and other generation and transmission cooperatives in those areas:			
(a) Northern States Power Co.....	2.0	1.15	203,000
(b) Interstate Power Co.....	1.5	1.15	42,000
(c) Otter Tail Power Co.....	1.8	1.11	104,000
4. Iowa:			
Federated Cooperative Power Association and Central Electric Federated Cooperative Association:			
(a) Iowa Electric Light & Power Co.....	1.2	.96	54,000
(b) Iowa Public Service Co.....	1.7	1.13	41,000
5. Alabama:			
Alabama Electric Cooperative:			
(a) Alabama Power Co.....	1.16	.8	53,000
6. Mississippi:			
Mississippi Electric Power Association:			
(a) Mississippi Power Co.....	1.19	.8	81,000
(b) Mississippi Power & Light Co.....	1.23	.56	49,000
7. Georgia:			
Georgia Electric Membership Corp.:			
(a) Georgia Power Co.....	1.25	.8	269,000
(b) Georgia Power & Light Co.....	1.25	1.01	31,000
8. South Carolina and North Carolina:			
South Carolina Electric Cooperative (Inc.):			
(a) Carolina Power & Light Co.....	1.15	.75	90,000
Total savings in purchased power.....			1,606,000
Total savings from generation.....			659,600
Grand total annual savings.....			2,265,600

Mr. GEORGE. Mr. President, I do not care to discuss the amendment, but I may say I think it is unfortunate it is presented and I shall vote against it if a record vote is had on it.

Mr. REED. Mr. President, much has been said which has not very great relevancy to the question immediately before the Senate. Public utilities may be actively lobbying on the question before us. If so, they have not approached me. The only people who have tried to lobby with me on this question have been the farmers and the farm cooperatives.

I am standing here to defend the policy of creating the REA. I want the \$100,000,000 we are appropriating in the bill before us, and the \$250,000,000 which will be appropriated under the agricultural appropriation bill soon to come before us, to be used to put electricity on the farms. That is what we are trying to do. I do not want it used to install generating plants, unless there is a need for such plants.

It may be said they are never built except where they are needed. I propose to give the Senate an immediate example of what is going on today in the State of Kansas, and to call attention to the recent correspondence I have had with Administrator Wickard, whose representative came to talk to me this morning about this matter.

In 1944 the REA made an allotment of \$430,000 to build a generating plant at Great Bend, Kans. The War Production Board refused to give the project any material in 1944. They did get authority from the WPB later, in 1945.

Mr. President, let me analyze the power situation in that particular place. There is presently a generating capacity in that immediate area of 11,670 kilowatts. The maximum load in December 1945, was 5,980 kilowatts. There is a reserve of more than 5,000 kilowatt-hours of excess, unused energy. Why in the world should an additional generating plant be built in that community? The answer might be, "because of the present price of electricity." Very well. I wrote to Administrator Wickard from my home in Parsons, Kans., in December or January, calling his attention to this matter, and I received a reply when I returned to Washington. I received this letter signed by Claude Wickard, Administrator of the REA, dated February 26, 3 days ago, in which he takes up the question which I raised in a letter I wrote to him on the 22d of last month. Mr. Wickard said:

I do wish to agree with your general statement that the decline in war demands has left an excess of power over and above the requirements of certain areas in central Kansas.

And the area to which I refer is one of them. There can be no doubt about that. That leaves the question of price. My philosophy respecting the REA—and I have discussed it in the Committee on Appropriations time and again with those appearing on behalf of and urging appropriations for the REA—is that REA shall not set aside money for construction of generating plants unless farmers cannot buy ample power at reasonable rates.

In my letter to Mr. Wickard, which I wrote him from Parsons, Kans., I said

that the major purpose of the REA is to get electricity on the farm, and that REA funds should be used for the construction of central energy plants only when the cooperative is unable to buy ample power at reasonable rates.

Mr. Wickard said in his reply to me, dated February 26:

I think that is an adequate summary of our policies in this respect and is essentially what I said in my remarks at Grand Forks, N. Dak., November 7.

Let me refer to the price factor in this immediate situation, and again I am reading from Mr. Wickard's letter of February 26:

You next state it to be your understanding that the cooperative could buy power at a lesser price than it can be generated for in a plant of the size being constructed.

REA is proposing to put in a 2,250-kilowatt plant. Mr. Wickard proceeds to say:

Our calculations, based on the installation of 2,250 kilowatts of generating capacity * * * show the average cost per kilowatt to be .873 mills.

Then Mr. Wickard proceeds to say that the cooperative now is buying power at .85 mills, which is less than their estimate, which I am assured by engineers is too low. In other words, when this plant is built, after spending \$430,000 on it, their estimate of the cost is .87 mills per kilowatt. The cooperative is now buying power at .85 mills.

Mr. President, I ask unanimous consent that a copy of my letter to Administrator Wickard under date of February 22, and his reply under date of February 26, may be printed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). Without objection, it is so ordered.

The letters are as follows:

FEBRUARY 22, 1946.

HON. CLAUDE R. WICKARD
Administrator, Rural Electrification
Administration, Washington, D. C.

DEAR MR. WICKARD: I have your letter of February 5, in reply to my letter of January 10, in which I raised the question of whether the allocation of funds for construction of a generating plant at Great Bend, Kans., was within the sound REA policy as contemplated by the law. Your letter is not convincing.

I do not care to go into many details of the situation existing in that territory through the war. Briefly, there was a shortage of power to meet requirements including an Army air base established near Great Bend. To overcome this deficiency, the War Production Board approved a 1,400-kilowatt addition to the Great Bend plant of the Kansas Power Co. in March 1944. In 1943, additions to the municipal plant at Larned, Kans., added to the total amount of power available.

Through these additions, plus the construction of additional transmission lines, provision was made for the maximum supply of power for the load during the war period. The decrease in power demands since that time has left a substantial excess of power available above requirements.

The WPB did not approve an allotment of materials for the cooperative plant in 1945. This was after the REA had made an allotment of \$430,000 on September 23, 1944.

This particular matter was before the Senate Appropriations Committee and was discussed some time ago. I am aware that there was conflict between the cooperative

and the power companies in that section over rates. I am familiar in a general way only, with what you call a dual rate contract. I have never reached any final opinion as to that matter.

My information, furthermore, is that the cooperative can buy power at a lesser price than it can be generated by a plant of the size being built. If that is not true I want to be corrected.

Your letter apparently does not question that there is an excess of power being generated in that area. Your letter discusses, rather vaguely, additional power requirements under a program for a substantial enlargement of the cooperative. I have no information save your vague general statement on that point.

Certainly, on the basis of my information, the allotment of money from the REA for this generating plant is not justified. I also understand your State representative did not approve it, and the cooperative went around him and negotiated directly with some members of your staff in order to obtain approval. If my information on this point is not correct I would like to be advised.

I have consistently supported the REA. With equal consistency I have tried to keep it within a sound policy with which you say you agree. Certainly, on my information, the allotment for this plant goes far beyond that policy.

I desire and request that you promptly correct me on any point where my information is in error. I am not content to let this matter rest on a basis of my present understanding of it.

If the REA is permitted to disregard the prime purpose of the law in this instance it will be encouraged to go ahead with other deviations in the policies created by the law governing the REA. If funds are to be allotted for the construction of a generating plant where there is no justification for it the REA is headed for insolvency. That is what I wish to avoid.

REA funds are not equal to satisfying the ambition of numerous enterprising cooperative managements. This seems to be a case of that kind.

May I have your prompt attention and advice?

Very truly yours,

CLYDE M. REED.

WASHINGTON, D. C.

HON. CLYDE M. REED,
United States Senate.

DEAR SENATOR REED: This is in reply to your letter of February 22 regarding the generating plant at Great Bend, Kans. In view of the action which was taken by the Senate Appropriations Committee yesterday with regard to REA generating plants, I am attempting to give you complete answers to the various questions you raise and get them to you in time so that you may consider them before the action of the Appropriations Committee is discussed on the floor.

Taking the questions up in the order in which you have raised them, I do wish to agree with your general statement that the decline in war demands has left an excess of power over and above the requirements of certain areas in central Kansas. Later in this letter I shall comment on the fact that this does not necessarily answer the problem of power requirements facing the Central Kansas Electric Cooperative Association.

You point out that REA made an allotment to the Central Kansas Electric Cooperative Association of \$430,000 on September 23, 1944, and go on to state that WPB did not approve an allotment of materials for this cooperative plant in 1945. Our records show that WPB approval for this project was given on July 21, 1945. Naturally, none of our funds was advanced without WPB approval.

You indicate that you are familiar only in a general way with what we refer to as the dual-rate contract and have reached no final

opinion on the matter. Briefly stated, the dual-rate contract is a device which utilities, particularly utilities in Kansas, are using to prohibit cooperatives who buy their power from utilities from serving other than relatively small loads. The restrictive features vary as between utilities, but the effect is the same; that is, to reserve for the utilities all of the larger, better-paying power loads in a given area and relegate to the cooperatives service only to the small users. I am sure you appreciate the fact that the development of a power system in a given area under such circumstances is wholly uneconomic, and, in the long run, cooperatives coerced into the acceptance of such terms will not be able to complete the job of rural electrification. Under such restrictive circumstances it certainly cannot be argued that the mere physical availability of adequate energy at what might otherwise appear to be reasonable rates satisfies the requirements of an electric cooperative trying to develop a well-balanced, efficient power system to meet the needs of an entire rural area.

You next state it to be your understanding that the cooperative could buy power at a lesser price than it can be generated for in a plant of the size being constructed. Our calculations, based on the installation of 2,250 kilowatts of generating capacity with a yearly generation in 1948 of 7,200,000 kilowatt-hours, show the average cost per kilowatt-hour to be 0.873 mill. We have reason to believe that it will be possible to generate power at an even lower figure as the ultimate load is approached. It is true that the cooperative is purchasing approximately 90 percent of its power requirements at an average cost of 0.85 mill per kilowatt-hour. The other 10 percent of its requirements are costing all the way from 1.3 to 2.48 cents per kilowatt-hour. It should be noted that this higher priced power is not being purchased under contract inasmuch as the cooperative has been unwilling to enter into the restrictive type of 5-year contract demanded by the power company. The significant fact about this latter point is that the area in which the cooperative is paying 2.48 cents per kilowatt-hour is the area scheduled for the greatest future development—and incidentally the area from which it is currently receiving its most urgent requests for the extension of electric service—and represents approximately one-third of the ultimate area to be served by the cooperative. Under those circumstances the percentage of power purchased at this higher figure would, were the cooperative to continue to take service from K. P. & L., increase appreciably and, without question, bring the average cost of power to the cooperative considerably above the cost of generation at the Great Bend plant.

Thus, even though there may be an excess amount of power being generated in a part of the area being served by this cooperative, the fact remains that the area of greatest expansion is inadequately served and service to this area by Kansas Power & Light would demand the installation of extensive transmission facilities. There are 1,424 signed applicants for service with the Central Kansas Electric Cooperative Association which will require the construction of 872 miles of line. We can provide you with county maps showing the exact location of each of these applicants and we will be happy to do so if you so desire.

I am at a loss to know how to reply to your statement that it was your understanding that our State representative did not approve of this loan. We do not have State representatives. We do have field representatives operating on a regional basis and, to our knowledge, none of these representatives has ever indicated any lack of approval of this particular allotment. If you have any other information to the contrary on this subject, I should like to be advised.

I am delighted to have this opportunity to provide this additional information which you requested and I am glad you raised these additional questions. I hope you will continue to do so until you are wholly satisfied that we are operating within the policies which you have supported in the past.

Sincerely,

CLAUDE R. WICKARD,
Administrator.

Mr. HILL. Mr. President, will the Senator from Kansas yield to me for a question?

Mr. REED. I yield.

Mr. HILL. The Senator is a distinguished member of the Appropriations Committee. When Mr. Wickard appeared before that committee in behalf of the pending appropriation did the Senator from Kansas go into this particular case, and does that appear in the record of the hearings?

Mr. REED. I may say to the Senator from Alabama that this particular instance came up for some discussion in the Appropriations Committee, I think 2 years ago. I am not a member of the subcommittee having in charge the deficiency bill. Therefore if Mr. Wickard appeared before the subcommittee I was not present. I was present in the full committee when the report of the subcommittee came before the full committee, and in the full committee there was no opposition whatever to the adoption of this amendment. It was adopted on a voice vote. There were probably 10 or 12 members present at the time.

Mr. HILL. Mr. President, will the Senator yield further?

Mr. REED. I yield.

Mr. HILL. I have not had an opportunity to examine the hearings as carefully as I might wish to, but I have not seen wherein the committee really went into this question very fully, at least the phase of it raised by the Senator from Kansas. If the Senator will further yield to me, I wish to say that this amendment deals with legislation. It is a change in the fundamental law respecting the REA. Even if such a proposal should be written into the law, before that is done there ought to be hearings on the subject before the appropriate legislative committee, for it is a legislative matter and should be considered by a legislative committee. It ought not to be put into an appropriation bill, which is a sort of short-circuit method, when there have not been full hearings on the subject. The Senate should not be confronted with the proposal without hearings having been had upon it. As I said, it is a legislative matter, and it ought to be considered by the proper legislative committee if it is to be considered at all.

Mr. REED. Mr. President, I stand here in the interest of the true purpose of the Rural Electrification Administration, the purpose for which it was created and for which we have heretofore appropriated and for which we continue to appropriate great sums of money. I have supported everything in favor of the REA. But there is a group in the REA, as there has always been, that will cooperate with managers of cooperatives to build generating plants, not because they are needed, not because there is not available sufficient power, not because the price asked is unreasonable, but to

construct generating plants, in order to build cooperatives up to the highest possible degree, when the cooperatives themselves do not have to put a cent into the plants. When completed, the generating plant to which I have referred will have been built entirely with Government money in an area where there are already 5,000 kilowatts of surplus power. The proposed plant would produce only 2,250 kilowatts. The cooperative now is buying power there at a less figure than the estimate of the cost of power from the new plant, if the new plant should be built.

Mr. AIKEN. Mr. President, will the Senator yield to me for a question?

Mr. REED. I yield.

Mr. AIKEN. I ask the Senator from Kansas if it is not a fact that the rate which the private utility offered the electric cooperative, and which is slightly below the cost of generating from an REA plant in the area, is not contingent upon the REA keeping out of certain irrigation districts which are considered the cream of the territory, and without which the REA cannot adequately serve the rest of the territory?

Mr. REED. No; I will say to the Senator from Vermont that that is not so. This morning before I came to the Senate Mr. Carl Hamilton, from the Administrator's office, whom I have known and with whom I am very friendly, came over with a Mr. Taylor, also from the Administrator's office, and we discussed the conditions in the particular area. There is no such situation as the Senator from Vermont has described. I went into the matter with them fully. They asked that we go over it. They were very friendly. I have known Mr. Hamilton since he was assistant to the Secretary of Agriculture. I have done a great deal of business with him. We had a friendly conversation. I took the map they furnished. I drove over that territory within the last 18 months, and no such situation exists as the Senator from Vermont has mentioned.

Mr. AIKEN. I may say that my information comes from exactly the same source as the information which the Senator from Kansas has received. One or the other of us has not understood it correctly.

Mr. REED. I went into the matter in some detail to tell them that could not be true. They made some excuse for wanting to build this plant. I want to do Mr. Wickard justice. They said this allotment was made before Mr. Wickard took over the Rural Electrification Administration and that Mr. Wickard's policy was exactly as I have stated my policy to be here today; that they as well as I want to use the money appropriated for REA to put electricity on the farms, not to build generating plants where they are not needed.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. MAGNUSON. Is it not true that in the past not more than 8 or 9 percent of the total appropriation for REA has ever been used for generating purposes?

Mr. REED. That is approximately the figure.

Mr. MAGNUSON. Last year it was a little more than 9 percent.

Mr. REED. Last year it was in the neighborhood of 9 percent.

Mr. MAGNUSON. So the bulk of the money is being used for the very purpose all of us want it to be used for.

Mr. REED. I desire to leave this thought with the Senator from Washington: There is no Senator on this floor who is more friendly toward the purposes of the REA than am I. There is no Senator on this floor who has gone along with the REA further than have I so long as it has confined itself to its legitimate functions. The only objection I make is that there is now a tendency in certain groups in the REA and without the REA to utilize this money for the purpose of constructing generating plants, whether they are needed or not. I think some kind of a check should be put on the REA. I realize that this amendment is a pretty rigid check. If this amendment is in the bill as it goes to conference, then so far as I am concerned, if we can work out some sort of a definite understanding that the things of which I complain, and which I have directly illustrated to the Senate as going on now can be eliminated, and we can feel assurance of that fact, I shall be willing then in conference to drop the amendment.

Mr. MAGNUSON. Mr. President, will the Senator yield for a further question?

Mr. REED. I yield.

Mr. MAGNUSON. In the particular area to which the Senator refers are all the farmers being supplied with electricity?

Mr. REED. No. Construction of facilities is still in progress.

Mr. MAGNUSON. Is there not obviously something wrong if there is power and the farmers are not getting the lines?

Mr. REED. I do not think so. I do not see why the Senator should make such a statement as that.

Mr. MAGNUSON. The power companies have been in that area for years, and they have not served the farmers.

Mr. REED. Mr. President, I was chairman of the Public Service Commission of Kansas 25 years ago—

Mr. MAGNUSON. I am sure it was not the Senator's fault.

Mr. REED. At that time I started to discuss the question with the public utility representatives to see if ways and means could not be devised to work out some kind of policy to furnish electricity on the farms. I happen to have a fairly good-sized dairy farm of my own. Before the REA came along, I had to arrange personally, and at my own expense, to bring electricity to that farm.

The Senator from Washington must realize that even now, with the REA in operation for several years, the percentage of farmers who have electricity on their farms is still too low. But we are not going to get electricity on the farms by using \$430,000 to build a generating plant in an area where there is now available more power than can be used, and where that power is now being sold at a lower rate than the estimate based upon the cost of the proposed new plant.

The two young men to whom I referred came to see me this morning. I know

Kansas, including that particular area, much better than they do. They had a great deal of misinformation. I do not know where they got it, but it was not correct. We discussed the question in a very friendly way.

Mr. President, I do not wish to detain the Senate, and I shall close by reiterating that I stand here as a champion of the correct purpose of the Rural Electrification Administration. We are appropriating hundreds of millions of dollars to put electricity on the farms, and not to build unnecessary generating plants. The construction of the proposed generating plant would cause an unnecessary diversion into that plant alone of \$430,000. Figuring the normal cost of rural electrification lines at approximately \$2,000 a mile, that sum would build 215 miles of transmission lines to take electricity to farms where it could be used. How many cases of that kind there have been, I do not know. I believe that there should be some check upon this practice in the Rural Electrification Administration.

Mr. LA FOLLETTE. Mr. President, I heartily agree with the remarks made by the junior Senator from Alabama [Mr. HILL]. This amendment should not be considered in connection with an appropriation bill. I grant that technically, under the precedents as they have been broadened and further broadened, it can be held that this is a limitation on the appropriation; but, in fact, it is a fundamental change in the substantive act creating the Rural Electrification Administration, and the amendments thereto. If any such change is to be made, it should be made as the result of hearings before the standing committee having jurisdiction over such legislation, where those who are for or against the amendment can have an opportunity to be heard.

One will search in vain the record of the Committee on Appropriations, which took the testimony on this bill, to find such a suggestion as this. I grant that some questions were raised concerning the policy of constructing generating plants; but so far as this specific proposal is concerned, which would amputate the right arm of the rural electrification cooperatives, there is not one word in the hearings which would put on notice either the Rural Electrification Administration or Senators who are genuinely interested in seeing this organization continue its beneficial service to the farmers of the United States. That is not proper legislative procedure; and every Senator who will stop to consider the question knows that I am stating the fact.

Mr. President, it is all well and good for Senators to rise and say how much they love the farmers, how much they love the Rural Electrification Administration, and that this amendment is in the best interest of the farmers and the extension of rural electrification in America. But every person who is familiar with the history of the activities of the power corporations before the Rural Electrification Act was passed, and everyone who is aware of the policies they have pursued since it was enacted, knows that this amendment would take

away from the rural electrification cooperatives and the Rural Electrification Administration a power which, when appropriately exercised, usually results in compelling the private power companies to give the cooperatives bulk power at reasonable rates. When the power companies are adamant and refuse, as they have done in several instances, even after the cooperative had been granted that bargaining power, the cooperatives have gone ahead and built plants and secured lower rates as a result.

I do not wish to burden the RECORD by repeating what the Senator from Vermont [Mr. Aiken] placed in the RECORD. However, I am familiar with the Dairyland Power Cooperative and the other cooperatives in my own State. I know that unless that cooperative had the ability to construct plants it would have had to take power from the power companies at 1.8 cents per kilowatt-hour. Instead, it was able to obtain power at 1.28 cents per kilowatt-hour, which resulted in saving the Dairyland Cooperative alone \$330,000 a year.

The Senator from Washington [Mr. MAGNUSON] stated that he did not believe it was necessary to go into the history of this program; but apparently it is necessary to remind the Senate that before the REA was created and farmers were given the opportunity to band themselves together in cooperatives for the purpose of getting rural electrification, it was the policy of the power companies generally—with some exceptions, of course—to enter only territory where the return was lucrative, and to build lines at great expense to the farmers. It was the usual practice to require the farmers to pay rates which would cover the cost of building lines. There were other additional costs and charges, which made it very expensive for the farmers who were served. The power companies would go into a rural community, skim off the cream, so to speak, and leave the majority of farmers without any service whatsoever.

That situation became so prevalent that sentiment was built up in the Nation and among Representatives in Congress, and legislation was enacted to take care of the problem and give the farmers of America the benefits which come with electrical energy, heat, light, and power on the farms.

Any Senator who is familiar with the condition of rural areas before rural electrification, and who has gone into the same areas since knows that the character of the communities which have received this service has been transformed. Even if one could not see the power lines, he could see the change in the character and appearance of the farms after they were electrified.

We should move cautiously in connection with any substantive change in the law. I submit that there is not sufficient evidence before us to justify it. With all due respect to the Senator from Kansas [Mr. REED], who has investigated a certain project which was authorized several years ago, I say that even in that situation we should have more than his testimony before we pass judgment upon the project.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. McCLELLAN. Were there any hearings before the Committee on Appropriations on this question, to determine what the facts were?

Mr. LA FOLLETTE. I stated before the Senator entered the Chamber that this matter was handled in such a way before the Committee on Appropriations that no Member of the Senate who is not a member of the committee, no Member of the House, and no one in the Rural Electrification Administration knew anything about this specific amendment until it appeared when the bill was reported to the Senate.

Mr. McCLELLAN. Was not the amendment reported by the Committee on Appropriations? I understand that it is a committee amendment.

Mr. LA FOLLETTE. Certainly it was; but I say that unless the Senator has the privilege of sitting on that august committee, he had no notice. I received no notice. I have been in the thick of every rural electrification fight since the project was first proposed. If I had been given notice that such a proposal as this was to be considered by the committee, I would have appeared before the committee and requested an opportunity to be heard. But I did not know about it. No one could know anything about it except members of the committee.

Mr. McCLELLAN. We naturally assume, when a committee reports an amendment, that it was discussed.

Mr. LA FOLLETTE. I have no doubt it was discussed. I was told by someone else that the Senator from Kansas presented a statement, similar to the one he has made on the floor of the Senate, about the Kansas cooperative to which he has referred and which he claims is located in an area where there is a surplus of power and no justification for building a plant. But that is the only case of that sort which has come to my attention—if the Senator's facts are correct, and I know he believes them to be correct. Certainly there is no case of that kind in Wisconsin, and I am proud to be able to say that I believe Wisconsin in proportion to its population has one of the highest percentages of rural electrification line mileage of any State in the entire United States.

Mr. McCLELLAN. Mr. President, will the Senator from Wisconsin yield there?

Mr. LA FOLLETTE. I am glad to yield.

Mr. McCLELLAN. I know the Senator understands my position. I am seeking information about this matter.

Mr. LA FOLLETTE. Yes; I understand the Senator's position.

Mr. McCLELLAN. I am seeking information about it because the proposal is legislation; it is not an appropriation.

Mr. LA FOLLETTE. Of course, that is so.

Mr. McCLELLAN. As I understand the amendment, it would change the existing law.

Mr. LA FOLLETTE. There can be no question about that.

Mr. McCLELLAN. That is why I am trying to ascertain upon what basis the proposal is made or what evidence was

presented in connection with it or what there is to sustain or substantiate the proposed change in the basic law.

Naturally, I like to go along with committees when I can do so—both the Appropriations Committee and others. I do not always do so, let me say to the Senator. But I am trying to obtain information and enlightenment upon this particular amendment and what prompted it to be recommended or inserted by the Appropriations Committee—whether it was based on hearings held and information obtained, or whether it was merely one of those amendments which someone offers and which are adopted in committee.

Mr. LA FOLLETTE. There was some discussion of this question, and of course it is perfectly legitimate to raise the question, whether the Rural Electrification Administration should approve the application of a cooperative for a loan for the construction of a generating plant in an area where reasonable rates can be obtained from an already existing private utility.

Generally speaking, I would say that is a sound policy; and, so far as I know, it has been the general policy of the Rural Electrification Administration.

There was a brief discussion between Mr. Wickard and the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Oklahoma [Mr. THOMAS] and the Senator from Georgia [Mr. RUSSELL], but the Senator can read that record until he is blue in the face and he will not find this amendment suggested in it. I submit that the Senator will not find from the record that Mr. Wickard could assume that the committee was about to consider or report such an amendment. There was no testimony before the committee regarding how long it would take the Power Commission to function in this kind of procedure.

I am sure the able Senator from Arkansas has tried some rate cases or participated in some of them when he was practicing law in his own State, and I believe he has some appreciation of the length of time required to settle the question of whether rates are reasonable, when the parties proceed under the procedures of a commission, which naturally has to hear both sides, take expert testimony, accept exhibits, and so forth. The Senator knows what happens.

Mr. McCLELLAN. Mr. President, will the Senator further yield?

Mr. LA FOLLETTE. I yield.

Mr. McCLELLAN. I am trying to determine what has prompted the proposal to make a change in the basic law. I am trying to determine that question.

Mr. LA FOLLETTE. Very well; I can summarize for the Senator what the proponents of the amendment have said. The rub of the statement made by the Senator from South Dakota [Mr. GURNEX]—I think I am fair to him—was that he wished to have this money spent for the purpose of building lines into the rural areas; he did not want any of the money to be spent for generating plants unless the parties interested had gone to the Commission and had gotten a determination that the power company was not offering a reasonable rate.

I think the Senator from Kansas [Mr. REED] stated he was basing his advocacy of the amendment on something which happened 2 or 3 years ago. He said he raised the question several times in the Appropriations Committee, and I am sure he believes in his facts and is sure of them so far as he is concerned. His contention is that the Commission authorized the construction of a generating plant which was not warranted because the farmers were getting a low rate from the power company.

The Senator from Vermont [Mr. AIKEN] stated that Mr. Wickard told him that that particular case involved several irrigation districts which represented the cream of the business in that community; that the other farmers were spread out over long distances and that the only way they were able to get from the power company the low rate which they are getting now was to agree that they would not take the irrigation district and the pumping systems into the cooperative.

Mr. McCLELLAN. Mr. President, will the Senator permit me to interrupt him again? I hope he will pardon me, and I am sorry if I interfere with the thread of his discourse.

Mr. LA FOLLETTE. No; I am glad to yield.

Mr. McCLELLAN. But I seek information. I am sure the Senator from Wisconsin appreciates my lack of information about the matter. Possibly other Senators find themselves in a similar position, since most of us are not on the committee.

Mr. LA FOLLETTE. I am not on the committee either, and I am as much in the dark about this matter as is the Senator from Arkansas.

Mr. McCLELLAN. I thought the Senator from Wisconsin was on the committee.

Mr. LA FOLLETTE. No. If I had been, I think I might have been able to insist on the making of some kind of a record.

There is not a word of testimony, so far as the Power Commission is concerned, regarding how long it would take them; but we can be very sure that any time there was any trouble, the power companies would take advantage of the situation and would delay the proceeding as long as they could.

The Senator from Arkansas knows that if a group of farmers organize a cooperative and then have to take 6 or 8 or 10 months to go before the Federal Power Commission in Washington and have a hearing, and then return, the cooperative in the meantime will have dissolved. That is what would happen.

Mr. McCLELLAN. Mr. President, if the Senator will further yield to me, I should like to make an observation. As a matter of administrative policy, possibly this amendment states a fairly sound general policy. But we have not legislated on that basis as yet. Regardless of whether the amendment states in a general sense a sound administrative policy, it raises an issue which should be determined on the basis of proper and adequate hearings.

I do not know whether the amendment is properly worded. I do not know whether in its practical effect it would create conditions which would be impractical in carrying out the rural electrification program.

I think we should have more information about how the amendment would operate. That is why I am seeking information.

Mr. LA FOLLETTE. Mr. President, I appreciate the Senator's interest. Before he rose, I was going to say that this issue has been fought out before a legislative committee in the House of Representatives. As the Senator knows, a bill for a general revision of the Rural Electrification Act is under consideration before one of the committees of the House of Representatives, and perhaps it has already been reported to the floor of the House of Representatives. I am not currently informed as to that. But the committee has been taking a great deal of testimony on the question. The power companies have appeared before the committee, the REA has testified, and persons interested pro and con have testified. I say that is the way any legislative matter should be handled.

Mr. McCLELLAN. Is the hearing now in process?

Mr. LA FOLLETTE. Yes; it is now in process.

But, Mr. President, this amendment would be a "quickie" job. No doubt it was felt that if the amendment, under the guise of a limitation, was reported as a part of the bill and the point of order was overruled, it would afford a method of gaining the objective quickly and having it sewed up into the law.

Of course, the proponents might contend that this amendment affects only this particular appropriation, which is correct. But if I were in Mr. Wickard's shoes and if the Congress went on record as saying that, with regard to this large sum of money, it did not want any of it spent for the construction of generating plants until the matter had been reviewed by the Federal Power Commission, I think I would hesitate a long time before I would grant a loan for that purpose from funds which did not have this limitation on them.

The Senator knows that the Rural Electrification Administration has been swamped with requests. Of course, during the war it was necessary to go to the War Production Board and make a showing of absolute necessity to the war effort before it was possible to obtain any materials or before it was possible to get anything done. Consequently this backlog of demand has grown up.

So, Mr. President, it seems to me that the adoption of this particular amendment at this time would have a very unfortunate effect upon this program.

The Senator from Kansas said he wanted to get the Rural Electrification Administration back on its legitimate track, or words to that general effect. I wish to read from section 4 of the act, as amended:

The Administrator is authorized and empowered from the sums hereinbefore authorized to make loans to persons, corporations, States, Territories, and subdivisions and

agencies thereof, municipalities, people's utility districts, and cooperative nonprofit or limited dividend associations organized under the law of any State or Territory of the United States, for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines or systems for the furnishing of electric energy to persons in rural areas who are not receiving central station service—

And so forth.

Mr. McCLELLAN. That is the basic law which authorizes the appropriation.

Mr. LA FOLLETTE. Precisely; and I contend that under the law as it now stands this is a perfectly legitimate purpose for which the Rural Electrification Administration can make a loan.

Mr. McCLELLAN. With respect to the money provided in this bill, the proposed amendment would simply repeal the basic law insofar as it authorizes the building of generating plants.

Mr. LA FOLLETTE. Absolutely, The Senator from Arkansas has stated it better than I can.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I shall yield in a moment.

Mr. President, first let me say that so far as I know, as I have stated before, it has been the policy of the Rural Electrification Administration since it was established to grant loans for generating plants only in cases where it was either necessary to use such loans as a bargaining lever with a power company, so as to get the power company's offer of exorbitant rates down to a reasonable level, or, where that lever did not work, to permit the cooperative to proceed to build a plant.

If the Senator will read the testimony of Mr. Wickard, who is now the Administrator, which was given before the committee, he will see that Mr. Wickard stated four ways from the middle that it is his policy, and will continue to be his policy, to make loans only where they are necessary for use as a bargaining lever, or for the purpose of building a plant when it becomes finally evident that the private power company will not offer reasonable rates. I assert that this amendment takes a meat ax and performs an operation on the fundamental substance of the Rural Electrification Act. The only case which has been cited so far in the debate is the one cited by the Senator from Kansas, which occurred several years ago.

Mr. AIKEN. Mr. President, the Senator from Wisconsin referred to this proposal as "quickie" legislation. To show how "quickie" this proposal is, I wish to say that the amendment was called to my attention only about 20 minutes before 12 o'clock on the day the Appropriations Committee expected to bring it before the Senate for action. I immediately called Mr. Wickard to find out if the amendment had received his approval. I found that he not only had not been given an opportunity to testify before the Senate committee—the testimony which was referred to was given before a House committee—on this proposed change in the basic REA law, but that he himself had no knowledge of the existence of this amendment which

would change the REA law, until a few minutes before I had known of it. Of course, he never approved the amendment. As I have said, it was only about 20 minutes to 12 o'clock of the day on which the amendment was to be brought before the Senate that I learned of it. I asked the acting chairman of the Appropriations Committee to postpone consideration of the amendment until the following day, which he kindly agreed to do.

Mr. LA FOLLETTE. I may say, Mr. President, that I had practically the same experience as that had by the Senator from Vermont. I was anxious to have appear in the RECORD a statement justifying myself with the people in Wisconsin who are behind this program. I wished to make clear my reasons for not presenting to the subcommittee testimony in opposition to the amendment. I wished to show that I did not know that the amendment was under consideration.

Mr. MAGNUSON. Mr. President, I am glad the Senator brought up that point, because his situation is similar to mine. I am sure that I would have to make some justification with the people in Washington. The first time I ever heard of this amendment was yesterday when the bill was called up. The amendment incorporates not only "quickie" language, but the same slick language was used by private power companies for years to justify the continuation of electrification being furnished by them to the farmers. The case cited by the Senator from Kansas is an isolated one, but I think it is the best argument which could be made for not tampering with the act, because in spite of an excess of power, many farmers do not have electricity on their farms. I know that the Senator from Wisconsin agrees with me that there can be no such thing as an excess of electric power in this country until every farmer has his home electrified.

Mr. LA FOLLETTE. I agree with the Senator that every single cooperative which can be organized on a sound basis should be organized.

Mr. President, I wish to point out that the people of Wisconsin are proud not only of their great industrial output and contribution to the war effort but also of the great record which, under most difficult conditions, the farmers of that State made during the war. When labor was scarce, when the draft policy stripped the farms of young men, when machinery was difficult to obtain, and when parts for all machinery were equally difficult to obtain, the farmers met the situation in a magnificent manner. Many older persons who had retired from the farms returned to work on the farms in order to produce food and help win the war. I assert that unless the electrification program had been carried forward in Wisconsin and in other agricultural States in order to provide power and thereby save labor on the farms, the great production achievements which we made during the war, would not have been possible. In my opinion our war effort would have been considerably hampered had we not made the progress

in electrification which was made prior to the war and, in some few instances, during the war, in extending rural electrification to the farmers. Farmers are in a very difficult situation today because of the shortage of labor, and because of the wages which they are now required to pay for farm help. There is an additional argument for the extension of rural electrification: It is necessary in order that farmers may be enabled to reduce their cost of production.

I submit to the Senate that the pending proposal is not the proper way to undertake to amend the rural electrification act. I would be opposed to the amendment if it came from a standing committee of the Senate, but I certainly feel justified in opposing it when there is no testimony in the record to support it.

Mr. FULBRIGHT. Mr. President, I understood the Senator from South Dakota [Mr. GURNEY] to say in his initial statement that there were instances of several REA generating plants having been constructed when it was possible to purchase power at a rate cheaper than could be obtained by constructing the plants.

Mr. MAGNUSON. The Senator stated that there were several instances in the Pacific Northwest where the REA had gone into small towns and villages of less than 5,000 population. Am I correct in that statement?

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield. I prefer that the Senator from South Dakota answer the question.

Mr. GURNEY. I did not, perhaps, make an accurate statement. I should have said the Central West. I do not know about the Pacific Northwest. Probably there are such instances there also.

Mr. MAGNUSON. Instances were given of municipal plants having been purchased in small communities. But the reason for purchasing municipal plants was that they were the only source from which power could be furnished to the surrounding areas.

Mr. LA FOLLETTE. That is my information.

Mr. FULBRIGHT. Did the Senator from South Dakota have in mind any substantial number of cases in which the REA had built a generating plant when electricity was already available at reasonable rates?

Mr. GURNEY. I did not intend to bring out on the floor of the Senate actual instances, but there are plenty of them. Information on that subject has been presented before the committee, and has been in the hands of the committee ever since I have been a member of it.

I do not believe that Congress intended that money which was appropriated for the REA should be used to buy municipal plants. Why did not the REA cooperative in the instance given make an arrangement with the municipal plant to buy the electricity? If that had been done more money would have been available for use in extending the power lines farther, and thereby serve more farmers.

Mr. LA FOLLETTE. I cannot answer the question as to any specific cases, but

it is perfectly apparent that there are situations in which it would not be necessary to do what the Senator has suggested. In extending lines and service to the point where electricity is needed, the Rural Electrification Administration sometimes finds itself in the same position in dealing with municipal plants that it finds itself in when dealing with private power companies. It may not desire to serve the area involved if it is not highly productive in revenue.

Mr. FULBRIGHT. I wish to cite as an example a small town near my home which I think is typical of small towns of approximately 1,200 population. The municipality was not financially able to improve the plant and make it sufficiently large to serve all those who desired to use electricity, and very willingly and gladly sold the plant to the REA in order that the REA could serve, not only the municipality but the surrounding territory as well.

Mr. President, I am impressed by the fact, as the Senator from Wisconsin has pointed out, that there is nothing in this record that we can find which will justify the proposed change. As the Senator has said, the matter was brought before the Senate out of purely thin air.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield to me in order that I may make a short statement?

Mr. LA FOLLETTE. I yield.

Mr. THOMAS of Oklahoma. There is no issue here, so far as I can see, about the rates for power. The evidence before the committee shows that the rural electrification cooperatives are getting power at about 6 mills per kilowatt-hour.

At the present time there are three separate Federal agencies asking for public funds with which to build power plants in my State and in my section of the country. For example, there are the United States engineers asking for money to build flood-control dams, with the development of power as an incident. In my State the United States engineers are now engaged in building flood-control dams and power plants in connection with such dams. We already have one on the Red River at Lake Texoma, and now a second power plant is being built by the Government under the engineers' supervision at Fort Gibson, Okla.

So now we have the United States engineers in our section of the country building flood-control works, with power development as an incident.

Second, there is on the House side of the Capitol at this time hearings being held by the Committee on Appropriations on the Interior Department appropriation bill, wherein the Southwest Power Division, a Federal agency, is asking for some \$23,000,000 with which to start a program of constructing steam-power generating plants in Oklahoma and in our section of the country.

If the \$23,000,000 is appropriated for this second Federal agency that will be followed, as soon as those interested can get the ear of the Congress, by additional requests running into hundreds of millions of dollars. Now the evidence shows that the REA is using some 9 per cent of its funds with which to build

steam generating plants. No one complains about the building of such plants where necessary to provide REA cooperatives with power, because they must have power to serve their members.

This statement is to direct the attention of Senators to the fact that we have today three Federal agencies asking for funds with which to build plants to produce electricity. If the Congress provides funds for each of the three agencies for constructing such plants, then it seems to me to be in the public interest to have some Federal agency supervise this activity to see that plants are not duplicated and that public funds are used to build plants to produce electricity only where needed.

I think the Federal Power Commission should be authorized to correlate these three groups, and to see to it that they do not duplicate the activities of the others.

Such a program would, in my opinion, be helpful to the REA.

Should the Federal Power Commission recommend the construction of a plant to serve the REA, then I feel certain that the Congress would not hesitate to provide the funds for such purpose.

Mr. LA FOLLETTE. It is the obligation of the Administrator of the Rural Electrification Administration to grant a cooperative a loan only in cases where he thinks the cooperative is organized on a sound basis, and can repay the loan. It is as obvious as a pikestaff that no Administrator in his right mind is going intentionally to build competing plants which cannot possibly contribute to the success of the cooperative, and may sink it. Certainly, the REA cannot build generating plants and compete with power which is incidental to navigation and flood control and for which the rates are exceptionally low, and no such plant will ever be built so long as the man who is operating this agency is outside of an asylum for the feeble-minded; so that argument does not appeal to me at all.

There is no possibility of the Rural Electrification Administration authorizing a cooperative of farmers to borrow money to build a Diesel plant and generate electricity when they can buy it from a high line or at the bus bar of a Government multipurpose dam, where they can get it for 5 mills, as the Senator says. That argument does not hold any kind of water, so far as I am concerned.

In conclusion, Mr. President, let me say that, so far as I am concerned, the amendment before the Senate cannot be dressed up so as to make it appear to be anything except a proposal which will have the effect, intended or otherwise, of crippling the Rural Electrification Administration, and of depriving the farmers who organize themselves into cooperatives of the bargaining power whereby they may secure reasonable rates from public utility companies. If we make it difficult for them to obtain such bargaining power, we have gone about as far as we can in crippling the extension, indeed, about as far as if we denied it to them, because, as I said a few moments ago, though I do not know what the average size of a cooperative is—a few hundred,

perhaps, or less—when a cooperative is organized its officers then get in touch with the Rural Electrification Administration, and surveys are made. When they reach the point where they have to bargain with the private utility, and as every Senator knows is often the case, it refuses to give them a reasonable rate. If the pending amendment becomes a part of the law, the case can be brought to the Federal Power Commission, and action delayed interminably. In many cases the farmers will be caused expense. They will have to hire a lawyer; they will have to come to Washington; they will have to bring their engineers to prove before the Federal Power Commission that the rate is unreasonable. How long would a small cooperative of a hundred or a hundred and fifty or two hundred farmers hold together under such circumstances? This is just the kind of amendment which the power companies will utilize to the utmost to delay and prevent the cooperatives from being successful in obtaining rural electrification.

I say, Mr. President, in all good conscience, we should not retard this great service to the farmers of America, needed now as never before except in wartime, without careful consideration, and it certainly should not be done by way of a rider on an appropriation bill, which never was presented in the testimony, and which no Senator not a member of the committee had any notice of before the bill was called up for consideration on the floor of the Senate.

Mr. BILBO. Mr. President, I realize this subject has been pretty thoroughly discussed, but I wish to register my opposition to the amendment, along with the opposition of the people of my State. There are between 20 and 25 REA associations in Mississippi, and I have about 25 telegrams here which bitterly oppose the pending amendment.

I want my colleagues to understand that in Mississippi there is not a single, solitary, generating plant built by the REA, but those who are operating the plants in Mississippi know what this amendment would do for them if they undertook to make a contract for rates with the utility interests of Mississippi, the power trust.

This is the substance of the telegrams:

Hope you will oppose Appropriations Committee amendment to REA's urgently needed deficiency appropriation bill. Amendment to restrict generation will hinder our negotiations for wholesale rates and be a step in wrong general direction, and expression of your attitude on this will be appreciated.

COAST ELECTRIC POWER

ASSOCIATION.

C. C. FERRELL, Manager.

Mr. President, the REA Act was passed 10 years ago, in 1936. The REA is today furnishing electric light to millions of American citizens throughout the entire Nation. I think in every State of the Union, except possibly one or two, people are enjoying the benefits of this service.

During these 10 years the basic law has provided that the directors of a cooperative association, or a group of such associations, may make application to the national director, who investigates and decides whether it is necessary to build a generating plant. It is done at the expense of the associations themselves, and

their directors are presumed to use good judgment in deciding whether the investment will be self-liquidating.

Mr. FULBRIGHT. Mr. President, will the Senator from Mississippi yield?

Mr. BILBO. I yield.

Mr. FULBRIGHT. The Senator says they are presumed to use good judgment. Is it not a fact that the rural electrification associations have been remarkably successful and have not been a great financial drain on anybody? Is not that true?

Mr. BILBO. Exactly so. I am glad to say that only about 9 percent of the money which has been appropriated for this purpose has been used in this period of 10 years to build generating plants.

What disturbs the people of my State is that they know that if this amendment is put into the law, and it is made necessary for applicants to come to Washington, to the Power Commission, with all the opportunities for litigation, lawyers, delays, and so on, the associations will have lost their bargaining power, they will have lost the club they can forever hold over the power companies in the effort to get decent and reasonable rates.

Mr. Wickard, or any other director who has sense enough to hold a job of that magnitude, along with the other directors, will not build a generating plant so long as there is adequate power available, and so long as the farmers can get reasonable rates.

Mr. McCLELLAN. Mr. President, will the Senator from Mississippi yield?

Mr. BILBO. I yield.

Mr. McCLELLAN. The Senator made the statement that up to the present, in the period of 10 years, only 9 percent of the moneys appropriated by the REA have been used for the purpose of building generating plants.

Mr. BILBO. I think that is the correct figure.

Mr. McCLELLAN. I do not know whether the Senator is on the Committee on Appropriations—

Mr. BILBO. I am not.

Mr. McCLELLAN. But I should like to ascertain if during that period of time, in the expenditure or use of that 9 percent of the funds, there have been any cases of abuse of discretion in granting loans for that purpose. Is there evidence of any such cases? I grant that there might be poor judgment used sometimes by anyone exercising discretion, or vested with the power of decision, but is there any evidence of any general abuse of this authority in the execution of the rural electrification program? Is there any charge of anything like that? Is there anything before the Congress or before the committees of Congress to indicate that there has been a general abuse of the powers granted?

Mr. BILBO. I am not a member of the Committee on Appropriations, but I am a member of the Committee on Agriculture and Forestry, and the REA and its activities were pretty well aired in the hearings on the question of the confirmation of Aubrey Williams to be Director. In all the hearings in which I have taken part I have never heard any complaint about any abuse by the Rural Electrifica-

tion Administration in the building of generating plants anywhere in the country. There may be exceptions. There may be a case here and there where it is possible that abuses may have occurred, but in the entire Nation I have not heard of any.

Mr. McCLELLAN. Allowance should be made for an isolated case in a program of this magnitude, but what I mean to say is that there has been no general charge of such abuses during the 10-year period.

Mr. BILBO. That is correct, and I am glad to report that in Mississippi, with I think about 20 or 25 associations—perhaps more; I do not know the exact number—only one association has had any trouble or has had a deficit. That was brought about by the OPA. There was a locker system in connection with the unit, and the OPA refused to permit the unit to charge a decent rate for operating the refrigerators, and that put the organization in the red.

The question I wanted to ask the acting chairman of the committee is whether any testimony had been taken before his committee showing the need of the proposed change, after we have made a success of this REA for a period of 10 years?

Mr. McKELLAR. Mr. President, there was a great deal of testimony respecting it, but I think the greater part of it came from the Senator's colleagues in the Senate. I have forgotten how many testified, but quite a number did.

Mr. BILBO. There was no testimony on this amendment?

Mr. McKELLAR. There was no testimony from witnesses other than Senators who are members of the committee.

Mr. BILBO. And who are interested in the matter. I am sure my colleague, the Senator from South Dakota, did not appreciate just what he was doing by this amendment, because I think I can say with assurance that the law, as it is now written, which gives the Director of the REA and the directors of the units the power, when they cannot secure reasonable rates, to decide whether to build a generating plant has saved to rural American citizens millions of dollars. It has provided a great saving to those who are paying for this service. It has and is helping them to get electricity at such rates as to make them able to keep their accounts current, and it will enable them to be self-liquidating. But if we adopt this amendment it will cost millions of dollars to those who are now enjoying the benefits of REA throughout the Nation, because every power company which is furnishing electricity will at once begin to raise the rates, knowing that it can block establishment of generating plants.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BILBO. I yield.

Mr. McKELLAR. The Senator from Mississippi says he is in favor of furnishing electricity for the population in the rural areas. I know he is, and I am glad he is. I wish to say that I have voted for every rural electrification bill that has ever been passed by the Congress, because such bills began to be passed by the Congress after I came here. I voted for all of them, and I have been very

strongly in favor of such measures, and still am. But the committee in adopting the amendment was more interested in building electric lines for the rural population than it was in affording utility companies the opportunity to sell their power. If power can be generated and sold at reasonable rates why expend in building power plants a large portion of REA's money which ought to go into the building of power lines for the benefit of the people? That is the only question in connection with this amendment. If the Senator is in favor of giving a bonus to interested parties, if he wants to do that, surely he should vote against this amendment. But if he is in favor of providing electricity for the rural population, and that is what I am in favor of, he should vote for the amendment.

Mr. President, I was born in a rural section and I am proud of it. I think the people in such areas ought to have all possible advantages, especially the advantage of electric light wherever it is possible to furnish it. So far as I know, during the 35 years I have been in Congress I have voted for every single bill ever proposed, designed to help the rural population obtain electricity for light, and other things, because power lines carry the current which operates devices and machines of many kinds. All manner of advantages go with electric power. This money ought to be spent for the purpose of building lines to provide power, and not for the purpose of building plants. I am in favor of furnishing electricity for the rural population, and not for giving bonuses to others who may be interested.

Mr. BILBO. In response to the Senator's observation, let me say that there is not a home in America which could not get electricity if the home owner were able and willing to pay the price. We do not need an REA to get electricity into the home. But what we are trying to do is to furnish electricity to the people in the rural areas at reasonable rates.

Mr. McKELLAR. Mr. President, will the Senator permit me to interrupt him again?

Mr. BILBO. Yes.

Mr. McKELLAR. That was the same question that the private power companies brought up when we had to sweat so much blood in order to succeed in the effort to build such plants as the TVA. They raised the question, "Why have the Government do it when many private utility companies are able to furnish it. Of course they charge a good price but that is all right. Somebody must prosper." But we persisted until we had built the TVA and other similar plants, to the enormous advantage of everyone who lives in the country districts and receives these benefits. I, for one, want to extend in every way possible the advantages of electric light and electric power to the homes and farms of those who live in the rural areas. For that reason I favor this money being spent for lines rather than for power plants.

Mr. BILBO. I regret the Senator's observation was not responsive to my statement.

Mr. McKELLAR. I regret it, too, if the Senator feels that way. I join in his regret.

Mr. BILBO. The point I am making is, and I will repeat it, that there is not a home in America that could not get electricity if the home owners were able to pay the price. I lived 6 miles from the line a few years ago, and it cost me several thousand dollars to have my home electrified, because I had to pay the power company large sums to build the line to my home, and I have been paying tribute to the Power Trust ever since. I am not on an REA line myself. I wish I were.

The further point I am making is that only 9 percent—the Senator from Tennessee, I think, was not present when that statement was made—of all the money which has been spent for the REA service in America has been used to build generating plants, whereas the money saved to the people who are paying for the electricity amounts to a great deal more than 9 percent. If it is really desired to help the country people, if we give them this bargaining power—I will call it a club over the heads of the power companies, to make them give the people decent rates—it will result in saving the people millions of dollars more than will ever be spent in the construction of generating plants.

So I am anxious to see an extension of REA service throughout the country, and I know that in voting against this amendment I am not going to interfere with the extension of that service, because REA has been in existence for 10 years, and during that 10 years only 9 percent of its money has been spent for construction of generating plants, in cases where the rates were unreasonable, or where the power was inadequate to serve those who constituted the subscribers to the units.

Mr. McKELLAR. Mr. President, will the Senator yield again?

Mr. BILBO. Yes.

Mr. McKELLAR. I wish to read a telegram from one who is on the Senator's side of the question. A great furor seems to be raised about this amendment. The one who sent me the telegram is here in Washington. Whether he was ever in Tennessee I do not know. But listen to the reading of the telegram, and his reference to the feeling in Tennessee. Of course, in his view, I, a Senator from the State of Tennessee, know nothing about Tennessee; I do not know what the people of Tennessee are for or against, or anything of that sort. But this man knows it all. Listen to what he says in a telegram addressed to me at the Senate Office Building:

We are advised that Senate Appropriations Committee amendment urgent deficiency bill H. R. 5458 to prohibit the use of any of the \$100,000,000 REA item for generating plants until Federal Power Commission has determined that power in area is not sufficient at reasonable rates. This restriction would result in endless delays.

Just think of that. The power is available there now, and can be obtained at a reasonable price. People can get it now if the REA will put in the line to reach the poor farmer who lives out in the country. The rural population can get the power now. But here is a man who telegraphs me that the adoption of the amendment will bring about endless

delays. At one time I had the good fortune—or misfortune—to help build an electric light plant in which I was interested. My recollection is that nearly 12 months were required to complete the plant. But that is a delay according to this man. He could build it in 12 minutes, or 12 seconds. Let me read further from the telegram:

This restriction would result in endless delays. The rural electric leaders of your State are strongly opposed to this restriction. Urge you not approve Senate committee amendment.

CLYDE T. ELLIS,
*Executive Manager, National Rural
Electrification Administration.*

That man is on the other side. I have read his telegram to the Senate in order to point out that frankly I do not believe that the rural electric leaders, or any others in my State, are opposed to this amendment. They have not communicated with me, and I believe they know how to do it.

Mr. BILBO. I doubt whether they have heard about the amendment.

Mr. McKELLAR. They may not have heard about it; but they have a remarkable way of finding out things about which they wish to communicate with Senators, as every Member of the Senate can testify.

The truth is that someone in Washington is very much opposed to the amendment. Why? Because it is desired to spend a large sum of money in building electric light plants which are not needed. The money would not be used for furnishing lines for the benefit of the country people who need the electricity.

Mr. President, the members of the committee who were present voted unanimously in favor of this amendment; and there was a goodly number present.

One's attitude on this question depends on whether he is on the side of the electric power user, the countryman who needs the line, or whether one is more interested in seeing new plants built. The whole rural electrification program was started for the benefit of the farmer.

Mr. BILBO. Mr. President, I should like to ask the Senator from Tennessee a question. What does the Senator suppose is the attitude of the private power companies in reference to this amendment?

Mr. McKELLAR. Frankly, I have not heard from the power companies.

Mr. BILBO. I did not ask the Senator that question.

Mr. McKELLAR. Nor have I heard from those who are opposed to the power companies.

Mr. BILBO. That is not what I asked the Senator.

Mr. McKELLAR. I know of my own knowledge that there has been considerable propaganda to defeat this amendment since it was reported by the committee.

Mr. BILBO. The point I am seeking—

Mr. McKELLAR. If the Senator will be equally frank, he will say that people have been communicating with him to persuade him to vote against the amendment. We hear such propaganda everywhere.

I do not believe that we ought to legislate by propaganda. I am one of those old-fashioned persons who believe that the American people have chosen their representatives in this body, and that their representatives, rather than those sent here by special interests to lobby, should legislate. I think it is a reflection upon us when an amendment such as this is opposed.

Mr. BILBO. Mr. President, the Senator from Tennessee did not answer my question.

Mr. McKELLAR. I regret it. I apologize to the Senator. I am trying to answer his contention, whether I answer his question or not. The Senator's contention is that we ought to spend this money for building power plants which are not needed.

Mr. BILBO. No.

Mr. McKELLAR. I am opposed to that. I am on the other side. My committee unanimously upheld that position.

Mr. BILBO. Let me ask the Senator—

Mr. McKELLAR. We are for the people who need these facilities.

Mr. BILBO. Will the Senator answer my question? Let me repeat the question.

Mr. McKELLAR. Very well.

Mr. BILBO. I asked the Senator for his opinion. I did not ask him what lobbyists had said. In the Senator's honest opinion, what would be the attitude of the power companies with respect to this amendment?

Mr. McKELLAR. I have not the slightest notion.

Mr. BILBO. The Senator has no notion?

Mr. McKELLAR. I have no notion. I have never discussed the question with representatives of any of the power companies. I do not know.

Mr. BILBO. I am pleading for the people who have to pay for the REA electric service. If we make it possible to delay the construction of generating plants, and require the farmers to go first to the REA, and then to the Power Commission, with all the lawyers who will be engaged to fight the various applications it will be weeks, months, and years before the people back yonder who are trying to escape the high rates of the power companies can obtain relief, and it will cost them millions of dollars. That is what the telegram which the Senator read referred to, when it spoke about delays.

Mr. McKELLAR. I should like to ask the Senator about this telegram. Who is Mr. Clyde P. Ellis?

Mr. BILBO. I do not know him.

Mr. McKELLAR. Does any Senator know him? Is he one of the Government lawyers?

Mr. McCLELLAN, Mr. HILL, and Mr. FULBRIGHT addressed the chair.

The PRESIDING OFFICER. Does the Senator from Mississippi yield, and if so to whom?

Mr. BILBO. I yield first to the senior Senator from Arkansas.

Mr. McCLELLAN. Mr. Ellis is a former Member of Congress. He is from my State. He is now the head of the Rural Electrification Association, an association of cooperatives.

Mr. McKELLAR. The telegram says "National Rural Electrification Administration." Does that mean the Government Administration?

Mr. McCLELLAN. I do not know what the word "Administration" means.

Mr. McKELLAR. Or does it mean something else?

Mr. McCLELLAN. The association is an association of cooperatives, organized under the REA Act.

Mr. BARKLEY. And Mr. Ellis has been selected by those cooperatives as executive secretary of the entire association in the United States.

Mr. FULBRIGHT. He is not a Government employee.

Mr. BARKLEY. No; he is not.

Mr. McKELLAR. I am glad to know that.

Mr. BILBO. He is merely trying to protect the interests of the cooperatives.

Mr. HILL. Mr. President, will the Senator yield?

Mr. BILBO. I yield.

Mr. HILL. The REA cooperatives, the farmers who own, operate, and administer the REA cooperative systems, have an association of cooperatives, and Mr. Ellis works for that organization. I do not know whether he is called the executive secretary, director, or what; but he is the man who works for and represents the farmers themselves, who are today members of the REA cooperatives. Is not that true?

Mr. FULBRIGHT. That is correct.

Mr. McKELLAR. Mr. President, I should like to ask the Senator from Alabama a question.

Mr. BILBO. I am glad to yield.

Mr. McKELLAR. When these plants are built, do they become the property of the cooperatives?

Mr. HILL. They do. The Government lends the cooperative the money to build the plant, just as the Government lends the cooperative the money to build the lines. The plants become the property of the cooperative, and the cooperative pays the money back to the Government. That is what happens.

Mr. BILBO. The cost of the generating plant is liquidated by increased rates. That is a part of the cost.

Mr. McKELLAR. Increased rates?

Mr. BILBO. Yes.

Mr. McKELLAR. And no one has control over those rates?

Mr. BILBO. Yes.

Mr. McKELLAR. Who has control over them?

Mr. BILBO. The board of directors.

Mr. McKELLAR. Of course, the board of directors of any corporation has control over the affairs of the corporation.

Mr. BILBO. They can pay for the building of their lines, for the poles, wire, and generating plant, and still save money as compared with paying the rates which the power companies charge them.

Mr. HILL. Mr. President, the distinguished Senator from Tennessee has been a strong friend of the REA and the REA cooperatives; but the difficulty is that the distinguished Senator's committee adopted an amendment without going into the facts and without really knowing just exactly what the generating

plants have done for the cooperatives and for the benefit of the farmers.

It so happens that on the 21st day of last November there was a hearing before the House Committee on Agriculture on a bill embodying certain amendments to the basic REA Act. At that hearing the committee went into the very question of what the generating plants mean to the farmers, so far as getting electricity into the farm homes for the benefit of farm families is concerned. Mr. Wickard, as head of the REA, testified. He was examined by various members of the committee. He submitted to the committee the facts, which showed, in case after case, that the farmers were able to get cheaper power rates because of the provision in the law permitting the REA to lend money to the REA cooperatives to build generating plants. The record developed at that hearing showed that time and again the authority placed in the law by the Congress to enable the power cooperatives to build generating plants has enabled the REA cooperatives, the farmers, to get cheaper power rates.

Mr. FULBRIGHT. Mr. President, I realize that there is not much that I can add to this discussion; but I wish to go on record in opposition to the amendment.

I am particularly impressed by the arguments of the Senator from Wisconsin [Mr. LA FOLLETTE] and the Senator from Alabama [Mr. HILL]. It seems to me exceedingly unwise to take action on an amendment of fundamental importance which obviously has not had the benefit of consideration by a legislative committee. I am perfectly willing to agree that some Senators discussed the subject, but it is evident that no testimony, in the usual sense of the word, was presented to the committee regarding the advisability of this amendment. Personally, I believe that it would cripple the REA in the development of its program, and particularly in the achievement of reasonable, and lower, rates.

Mr. BARKLEY. Mr. President, I wish to add only a word or two. I regret exceedingly that I find myself in opposition to an amendment reported by the committee and sponsored—or at least defended—by my good friend from Tennessee, the acting chairman of the Committee on Appropriations. However, I am opposed to the amendment. I have not had a line from anyone in my State, or anywhere else, so far as I know, with reference to the amendment. I do not know whether the rural electric cooperatives in my State have learned about it. It was reported from the committee only 3 days ago, and evidently there was no advance notice of it and no hearings on it in the committee. It would not be strange if during the short space of 3 days the Rural Electrification Administration and the cooperatives in the States had not had an opportunity to acquaint themselves with the problem or with the effort, as I regard it, against their expansion.

We inaugurated the Rural Electrification Administration in order to bring electrical power to farmers. Until the REA was instituted, vast sections of the United States had no electrical facilities whatever, and the private power com-

panies which operated within the cities would not go out into the country. They did not have to go there and they did not go. They began to get a little busy in that regard when the REA was established by the Congress. I am informed that since the establishment of the REA and the formation of cooperatives under it and the building of transmission lines, with their poles and facilities, out into the country, some of the private companies have run lines parallel to them in order that they might undertake to drive the cooperatives out of existence. I know that has happened in some sections of the country. The private power companies did not have to go to the Federal Power Commission in order to obtain consent to build a generating plant from which they would run along highway transmission lines which might tend to put a cooperative rural electrification association out of business. They do not have to obtain any consent of that kind from the Federal Power Commission. They do have to come to the Federal Power Commission if they wish to erect a dam for power purposes across a navigable stream, and we have authorized the Commission to grant consent permits for that sort of thing. But they do not have to obtain consent from the Federal Power Commission to build a generating plant, even though the plant is for the purpose of enabling them to run transmission lines along a highway, parallel to and in competition with lines of an REA cooperative already in existence.

So it seems to me that this amendment offers an additional handicap to the building of REA cooperative lines. The amendment applies to the right to build generating plants from which electricity will be sent along those wires.

The money obtained by the cooperatives from the Rural Electrification Administration is not a gift; it is a loan. The cooperatives have an excellent record in regard to the repayment of the loans they have obtained from the REA, and they pay interest on the loans they obtain. As has already been indicated, only 9 percent of the money they have borrowed in that way has been used for the building of generating plants.

Why is it desired to have these small electric cooperatives, which are made up of farmers all over the United States, come hot-footing to Washington in order to obtain consent from the Federal Power Commission to build a small generating plant somewhere? It seems to me that, regardless of the intention of the committee—and I cast no aspersions whatever upon the motives of the committee—I am satisfied that the committee thought the amendment was a wise provision, or else it would not have voted for it, and I am sure the Senator from Tennessee is a friend of the extension of electric power to the farmers—it is amazing how the REA has brought to the farmers and rural areas electricity which they would not otherwise have had. Certainly they would not have had it if it had not been for the creation of the Rural Electrification Administration.

Now to put this handicap in their way, so that they could not expand unless they should come to Washington and

obtain the consent of the Federal Power Commission to build a generating plant or unless they should enter into a contract with a private power company to buy power from them, it seems to me would be a mistake. The ways I have just mentioned are the only ways they can expand their operations. It seems to me we should not throw this obstacle in their way; we should not hobble them by requiring that they come to Washington and obtain consent from the Federal Power Commission to build a generating plant somewhere in the United States in order to serve farmers and their wives and children.

For that reason, Mr. President, I am opposed to the amendment.

Mr. HILL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HILL. The amendment would put a hobble on them and it would impede them and harass them. We must realize that in dealing with these cooperatives we are not dealing with large corporations which have high-priced lawyers and lobbyists and representatives who come to Washington. The fact is that the adoption of this amendment would discourage the REA cooperatives and groups of farmers from going forward with their programs throughout the country. Is not that true?

Mr. BARKLEY. Yes; it is true. The people who are concerned with these matters are not wealthy. They are humble farmers, living on farms. They wish to have electrical power in order that it may no longer be necessary for the housewives to spend hours bent over washboards or washtubs. They wish to have electric power so that they may use washing machines which can be connected with an electric line and thereby eliminate much of the drudgery from housework on the farms. Of course, we should not do anything to prevent that.

Mr. HILL. Mr. President, will the Senator further yield?

Mr. BARKLEY. I yield.

Mr. HILL. Of course, it is our obligation to make sure that the loans made for these purposes are sound, but it is true, is it not, that practically all the money that has been borrowed by the cooperatives has been paid back with interest?

Mr. BARKLEY. Undoubtedly it is true.

Mr. HILL. And is it not also true that only 9 percent of the money which has been borrowed has been used for the construction of generating plants?

Mr. BARKLEY. That is also true. But the generating plant is an integral part of the facilities. It does no good to erect electric-line poles and construct the transmission lines unless it is possible to generate electric power and thus have the juice to send over the transmission lines.

Mr. HILL. Not only is it necessary to generate the power, but it is necessary to have a fair rate for the power, so that the farmers can purchase it.

Mr. BARKLEY. Of course, all those questions are involved in the program. Obviously it is necessary to have rates which the farmers can pay.

Mr. President, I cannot avoid the suspicion, which is justified by the experience we have had since the establishment of the REA, that in many communities the private power companies would not have run transmission lines out into the country, thus enabling the farmers to obtain electric current, except for the existence of the REA and the possibility of competition which might drive them out of business.

I shall not vote for an amendment which would prevent the farmers from enjoying that opportunity.

Mr. McKELLAR. Mr. President, the Senator said they could not get the juice.

Mr. BARKLEY. No; I said unless the farmers have an opportunity to have a generating plant they cannot have electricity sent over the transmission lines unless the private power companies make their facilities available to them.

Mr. McKELLAR. But does the Senator know where there is a transmission line which does not have electrical energy available to it? This has been one of the most successful projects for the benefit of the people.

Mr. BARKLEY. I agree with that. It may be that my use of the word "juice" was unfortunate.

Mr. McKELLAR. No; that word is frequently used in reference to electric current.

But it seems to me there is something very peculiar about the furor which has been raised over this amendment. The amendment would not hurt anyone. If it is possible to obtain electric power at a reasonable price, why build another generating plant with money which could be used to give so many housewives relief from the drudgery that they have to put up with? Why not use this money for the benefit of the housewives, for the benefit of the farmers who live in the country, for the benefit of all people who live in the country?

Mr. President, this amendment cannot hurt any one, because Heaven knows it is an easy thing to determine whether a reasonable price is being charged by a private power company. I am one of those who have approached the task on the side of public ownership, and I have been in favor of public ownership for this kind of electricity and other kinds of electricity. But I am not opposed to private industry simply because it is private. I wish to have private industry prosper in the same way that I wish to have all the people of the country prosper. I am not opposed to private industry because it is private.

Every Senator has received these telegrams—

Mr. BARKLEY. I have not.

Mr. McKELLAR. Then, the Senator has not been back to his office in the last 10 minutes.

Mr. BARKLEY. It makes no difference; I am opposed to the amendment, even though I have not received any telegrams.

Mr. McKELLAR. I know the prominence of the Senator from Kentucky in this body. Probably he would receive two telegrams in his office at the same time when the others of us were receiving only one.

Mr. BARKLEY. Mr. President, I am sure the Senator will agree that if I got them after I returned to my office it would be too late, because I made up my mind as soon as I saw the amendment.

Mr. McKELLAR. I agree that by that time it would be too late, because by then the Senator would already have made up his mind. No doubt the Senator made up his mind instantly.

Mr. BARKLEY. I do not know that I made it up that quickly, but I have made it up.

Mr. LA FOLLETTE. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. LA FOLLETTE. In response to the statement made by the Senator from Tennessee, let me say that the reason why so many people are disturbed about this matter is that they sincerely believe that this amendment will be a great deterrent to the carrying forward of this program.

The Senator from Tennessee has said that it is very simple to find out whether a rate is reasonable. Any Senator who has ever observed a rate case knows that it can be dragged out indefinitely—and usually that seems to happen—by the introduction of expert testimony, resort to technicalities, and so forth.

There is not a word of testimony in the subcommittee hearings to show what procedure would be followed under this amendment, because the amendment was not mentioned in the testimony. No one knew that the amendment was going to be proposed.

Mr. McKELLAR. Mr. President, will the Senator yield to me for a moment?

Mr. LA FOLLETTE. I shall yield in a moment.

Mr. President, I can see that if the Federal Power Commission were really to discharge its responsibility in connection with the amendment, it would have to make an additional and separate finding as to whether the electric power rates offered by a private power company to a cooperative were reasonable. This issue is a good deal like the issue which has so frequently come before the Senate in regard to transmission lines from multipurpose dams. The great help which the authority to grant loans to cooperatives for the purpose of building plants has been due to the opportunity it afforded of bargaining with private utility companies in attempting to obtain reasonable rates. The power companies knew that if they did not grant a reasonable rate, the cooperative had the power to apply to the Administration for money to construct or buy a generating plant, and the Administration had the power to grant a loan for the purpose of building such a plant.

In his testimony before the subcommittee, when the general question of his policy was under consideration, Mr. Wickard said over and over again, that he did not believe in granting loans when power could be obtained at a reasonable rate, and that in the future he would not grant loans under those circumstances. He said he had not believed in such a policy in the past, and that he would not pursue such a policy in the future.

Mr. President, once before in this debate I cited the annual savings which have accrued to the Dairyland Cooperative. Because they could not obtain a reasonable rate they received a loan to be used in building their generating plant, and thereby saved more than \$300,000 a year in rates. That is a substantial sum of money. It puts the cooperative on a sounder basis and makes it possible for the cooperative to pay its loan to the Government.

It is the sincere belief of those who are opposed to the pending amendment that such a substantive change in the law as is being proposed should not be made without the most careful consideration being given to it, and hearings being held before a committee where the pros and cons may be thoroughly brought out. There was not a word of warning concerning this amendment, so far as the testimony was concerned. The bill was brought up on the floor of the Senate before any member of the Senate, outside of the committee, knew that such an amendment was under consideration.

Mr. BARKLEY. I appreciate the Senator's observation. I wish to picture, if I may, what would be necessary, and what the mechanics would be in obtaining a loan if the pending amendment were adopted. It is not easy to organize a rural electrification cooperative. Meetings must be held among the farmers; a cooperative program must be worked out, and the farmers must adopt the program, which they themselves have understood to mean not only the stringing of lines along highways, but the building of generating plants if that should become necessary. Suppose they hold a meeting in a section where there is no REA cooperative, and they wish to build a generating plant. They say, "Well, we can borrow the money to build the line, but we cannot obtain money to build a generating plant if the Federal Power Commission finds that there is adequate power already available in the community at reasonable rates." If the cooperative organizes for the purpose of building a line without knowing whether it can obtain a generating plant, it will, in a sense, put the cart before the horse. But suppose it organizes on the assumption that it can obtain a loan for building a generating plant. Before it can complete its organization it must come to the Federal Power Commission and ask it if it may have a generating power plant for the purpose of distributing power over its lines. To me that situation presents an almost insuperable barrier, in the first instance, against the REA. I cannot help but suspect that if the cooperative is met with refusal on the part of the Federal Power Commission, and is not able to borrow the money for the acquisition of a generating plant, it will be left at the mercy of some power company from whom it must buy power in order to furnish electricity to the consumers along its lines.

Mr. YOUNG. Mr. President, I live on a farm in my State a half mile from a small town with a population of about 135. About 15 years ago a power company built a line approximately a half mile from that village. They charged

the village \$3,500 to bring its facilities into it, and thereafter gave no reduction in rates because of this gift.

At the present time the farmers in my home county are organized into an REA cooperative. If, because of this amendment, they were to lose the bargaining power which they now have they would be in much the same position as this village is in, and no doubt would have to pay very high rates.

Mr. BARKLEY. When those who are desiring to establish a cooperative and supply electric power come to Washington to obtain consent of the Federal Power Commission to build a generating plant they will, of course, be confronted with the compulsion of going back and making the best deal they can with the private company in the event the Federal Power Commission turns them down in the first instance.

Mr. YOUNG. If their experience with the REA were the same as it was in the small village to which I have referred they would probably be compelled to pay a bonus on top of whatever rate they could obtain.

Mr. MAYBANK. Mr. President, I ask the distinguished Senator from Kentucky if there are not certain State laws which govern the activities of cooperatives in Kentucky?

Mr. BARKLEY. Yes; there are certain State laws. The control is vested, in a measure, in the public utilities commission of the State.

Mr. MAYBANK. I thank the Senator for his statement, because in my State of South Carolina the public service commission has certain jurisdiction over electric rates and other matters. I may say to the Senator that in a small community in South Carolina, where a private company owned the utility, the rate was 25 cents a kilowatt-hour. I repeat, 25 cents a kilowatt-hour. The rate remained at that figure until the cooperative was able to buy electricity from a competing line. The private power company finally reduced the rate considerably, and a great deal of money is now being saved.

Mr. President, I believe that the people of my State do not want jurisdiction over their affairs to be exercised in Washington. I am opposed to bureaucratic methods, and I certainly do not intend to put the people of South Carolina under a Federal bureau, although I am not saying to the distinguished Senator from Kentucky that I do not have the utmost confidence in the members of the Federal Power Commission. But I see no reason for persons to occupy hotel space, and space on trains, in coming to Washington to find out whether or not the farmers and other people of the land can obtain cheaper electricity in order to carry on agricultural pursuits.

Mr. BARKLEY. I appreciate what the Senator from South Carolina has said, and I share his comment with regard to the Federal Power Commission. What I have said is no reflection whatever on them. They are able, honest, and sincere public servants. But regardless of that fact, I think that we should not require farmers in any section of the country to come to Washington, or send someone to Washington before they can even

organize a cooperative, to ascertain whether the Federal Power Commission will give them authority to construct generating plants.

Mr. MAGNUSON. Mr. President, the smaller cooperatives really cannot afford to send anyone to Washington to argue their case for them. The private power company can send their lawyers to Washington and the farmers are whipped before they start. Secondly, even after coming to Washington there would be a long series of delays, because the establishment of rates before a committee, a court, or a commission is a most difficult task. Even after a ruling has been made by the Federal Power Commission, there is nothing which would bind the private power company to accept the ruling. So, as the Senator has said, many of the small cooperatives are whipped before they start.

Mr. BARKLEY. I agree with the Senator.

Mr. GURNEY. Mr. President, I hope the Senator does not mean to leave the impression that the poor little cooperative representative will have to come all the way to Washington.

Mr. BARKLEY. That is where the Federal Power Commission is located.

Mr. GURNEY. I am sure the Senator knows that the REA has representatives in every State. The representatives in the field make up reports and send them to Washington. The Washington representatives then contact the Federal Power Commission. That is all there is to it.

Mr. BARKLEY. All decisions must be made in Washington. Decisions even on the question of whether there shall be established a cooperative, must be made in Washington. The loan, if any is to be granted, must be made in Washington. It is not made in the field. It is made by the REA in Washington. If the Senator means to intimate that the REA organization within the Department of Agriculture must argue before the Federal Power Commission in behalf of every rural cooperative which wants to build a generating plant, then he must admit that two rival organizations in Washington are arguing against each other.

Mr. GURNEY. Why does the Senator call them rival organizations?

Mr. BARKLEY. If one must go to another in order to induce it to approve or disapprove a loan, in a sense they thereby represent two discordant organizations, and may be representing different viewpoints.

Mr. GURNEY. Allow me to read the Federal Interagency agreement from part III of the Federal Power Act:

The Commission is party to an agreement entered into jointly with the Department of War, Interior, and Agriculture, under date of December 29, 1944, to permit agencies of these departments and the Commission to cooperate more completely in the preparation of reports on multipurpose reservoir projects and to correlate the results to the greatest practicable extent.

Mr. BARKLEY. That does not give one department the right to nullify what another is trying to do in making reports.

Mr. GURNEY. If I may intrude on the Senator's time, the purpose of it is to arrange that all the information as to

all the power produced by not only public utilities, but also private utilities, and by the Bureau of Reclamation, the Interior Department, and the independent boards we have set up, such as the Grand Coulee organization, and the like, may be gathered together by one agency of the Government, which can determine what power is available, and then pass it out to any other agency of the Government, such as the REA, when a request for power is received.

Mr. BARKLEY. That is entirely another thing. Let me observe, in reply, that the result would be that we would have the REA here in Washington going over to the Power Commission with hat in hand, on bended knee, and saying, "Mr. Power Commission, will you please let us lend some money to a little cooperative in West Virginia, or Kentucky, or Wisconsin, so that it can build a generating plant?"

Mr. LA FOLLETTE and Mr. HILL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Kentucky yield, and if so to whom?

Mr. BARKLEY. I yield first to the Senator from Wisconsin.

Mr. LA FOLLETTE. The point I wish to make is that I do not believe the Senator from South Dakota or any other Senator can state what procedure the Power Commission will require if it has to accept the responsibility of making the required certification. There is not a line in the testimony about it, and I do not believe any Senator knows what procedure they would have to establish. But it certainly is obvious that any conscientious commission charged with this responsibility by the Congress will have to provide some kind of procedure whereby they can ascertain, first, whether the power is available in the area; and, second, whether it is available to the farmers' little cooperative at a reasonable rate. If that does not mean some kind of a special hearing and investigation with regard to all the areas throughout the United States, I do not know what it can mean. If it does mean that, it means interminable delay, and it means in the last analysis that we will have taken the bargaining power away from the cooperatives and thrown them on the good graces and the mercies of the private utilities everywhere in the United States. No one need try to tell me that that does not strike at the heart of the whole rural electrification program, and that, too, at a time when we are appealing to the farmers to increase their production in order that they may help feed the starving millions all over the world.

Mr. BARKLEY. Not only that, Mr. President, but if we may assume that the local REA cooperatives have gathered all the facts they need or think they need to bring to Washington and submit to the Power Commission, the Power Commission could then say, "We will send our own representatives into that community and make our own investigation and our own decision." That would add to the time required to get action.

I now yield to the Senator from Alabama.

Mr. HILL. Mr. President, we may well know that if we put this provision into the law what the Senator from Kentucky and the Senator from Wisconsin have suggested will come to pass. The private power companies will be here demanding that they be heard, asserting that they have a right to participate in some kind of a hearing and present what they think is their side of the case against the REA, against the loan, against the farmer. They will be here with their high-priced lawyers, with their high-priced rate experts, with their high-priced engineers, with their high-priced lobbyists, swarming to the Federal Power Commission, arrayed with their wealth and their power and their expert help and technical advice against the poor helpless farmers. That is what we are opening the door for, that is what we are inviting, if we adopt this amendment.

Mr. BARKLEY. I thank the Senator. I have said all I wish to say on the subject, and more than I had intended to say.

Mr. MAYBANK. Mr. President, will the Senator from Kentucky yield to me so that I may ask the Senator from Alabama a question?

Mr. BARKLEY. I yield for that purpose.

Mr. MAYBANK. In addition to what the Senator has suggested, is it not possible that court injunctions might be issued, so that it would be 10 years before anything was done?

Mr. HILL. The Senator from South Carolina knows the history of the whole REA program under the REA administration. The Senator from South Carolina knows that the power companies have never let slip any opportunity to go into court and sue for injunctions, and resort to any other possible kind of proceeding to delay, hamper, impede, harass, and defeat the REA. We would be opening the door, extending an invitation to the power companies to carry on as they have in the past, to do everything possible with their wealth and their power and their brains to defeat the REA.

Mr. McKELLAR. Mr. President, I hope we may have a vote, but before a vote is taken I wish to make one observation.

The opponents of the amendment refer to the construction of generating plants as involving 9 percent of the appropriation. That is all that is involved, 9 percent out of 100. Anyone would think the whole rural electrification system was involved. There is nothing of that sort. After 30-odd years of hard work for rural electrification, how could I ever explain it if I tried to do something that would help the power companies rather than the people of the rural areas? I have no other desire except to assist them.

All I ask, Mr. President, is that we have a vote on the amendment, and I should like to have a yeas-and-nays vote. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. LANGER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	Overton
Austin	Hart	Radcliffe
Bailey	Hatch	Reed
Ball	Hayden	Revercomb
Bankhead	Hickenlooper	Robertson
Barkley	Hill	Russell
Bilbo	Huffman	Saltonstall
Brewster	Johnson, Colo.	Shipstead
Bridges	Johnston, S. C.	Smith
Briggs	Knowland	Stanfill
Bushfield	La Follette	Stewart
Butler	Langer	Taft
Capper	McCarran	Thomas, Okla.
Carville	McClellan	Thomas, Utah
Cordon	McFarland	Tobey
Donnell	McKellar	Tunnell
Downey	McMahon	Tydings
Ellender	Magnuson	Vandenberg
Ferguson	Maybank	Walsh
Fulbright	Mead	Wherry
George	Millikin	Wiley
Gerry	Mitchell	Willis
Gossett	Moore	Wilson
Green	Murdock	Young
Guffey	O'Mahoney	

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Seventy-four Senators having answered to their names, a quorum is present.

Mr. GURNEY. Mr. President, I wish to make a very short statement. I am surprised at the furor caused by this amendment. In committee it was generally agreed, as attested to by the unanimous vote of about a dozen members present in the committee when the amendment was agreed to, that it was sound, common, good sense to adopt the amendment. It was the belief of all Senators present—I think I speak truthfully—that there should be one Government agency which had the knowledge of power produced by every other governmental agency which is presently engaged in producing power, and there are several of them, and it was believed also that the Federal Power Commission was the agency which should be responsible for gathering the information and correlating it, and making it available.

I call the attention of the Senate also to the fact that there is presently before the Appropriations Committee request for the building of several hundred Federal flood-control projects where the generation of incidental power is, of course, a part of each project. We all realized that there would be power available from these flood-control projects, and we were concerned about the market for that power. Of course, it is conceivable that one agency, not getting its information from the central gathering agency, could authorize the building of a generating plant where in a few years hydroelectric power, developed at the expense of the taxpayer, would not then have a market. The amendment seemed to be a sound, common-sense amendment. Certainly we could not envision that it would cause any delay about which there has been so much oratory here today. I do not believe it is necessary for anyone to fear that there would be rival Government agencies, as I heard the majority leader say. Certainly they ought to cooperate. The REA has representatives in the field who certainly report to Washington. They could pick up the telephone and ask the Federal Power Commission if a proposed rate was reasonable, and that is all that

would be necessary, because the Federal Power Commission is not held down by any rule in dealing with such questions. It would be a simple matter.

If Senators think that \$100,000,000 is not a great deal of money, let them remember that when we first heard about the cost of the greatest Federal project in history, the Boulder Dam, its cost was a little under \$200,000,000. Here it is proposed to appropriate \$100,000,000 in this bill, which is a deficiency bill. Two and one-half times this amount is going to be called for in the regular appropriation bill. And still it is said that 9½ percent of all this money is not much; it is only a small amount. Mr. President, it is a huge amount. Ten percent of all the money appropriated for REA can run up to \$100,000,000.

Mr. President, I want to see the Federal money which is appropriated to REA go into lines which serve farms, where it is economically sound to put in the lines. If it is necessary to build a generating plant, then by no stretch of the imagination would this amendment stop the building of a necessary generating plant.

Mr. President, until someone got to members of the committee—I do not know who it was—every member of the committee said about the amendment, "That is fine; we are all for it." And the members of the committee present were unanimously in favor of it. I am sure the vote today, though, will not be unanimous.

I am glad the amendment came up for consideration, for Congress has certainly taken time out at least to stop, look, and listen in appropriating money for what the REA find to be cooperatives, but we should also remember that whenever a cooperative is organized somebody else pays the taxes that supply the money from which comes the \$100,000,000 appropriated in this particular bill.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. GURNEY. I yield.

Mr. OVERTON. Objection has been made to the provision that the Federal Power Commission should approve the rates. Is it not the policy of the Government today that the Federal Power Commission shall approve the rates in the case of projects for which Federal money is expended?

Mr. GURNEY. That is the responsibility of the Federal Power Commission under the act creating it. I read the provisions of that act a few minutes ago.

Mr. OVERTON. I am sorry but I was not present at that time. I was called out of the Chamber.

Mr. GURNEY. As I understand the Federal Power Commission approves the rates charged by all Federal projects which are built with Federal money.

Mr. CORDON. Mr. President, I do not want to delay consideration of this matter for more than a few moments, and I assure the Senate I shall take but a few moments. I rise in support of the committee amendment. I do so because I believe that my action is in the interest, the true interest, of the farming population of the United States.

Mr. President, this amendment does not in any wise prevent rural electrical cooperatives from producing their own

power where there is not in the area adequate power available at a reasonable price. The amendment does provide that a finding shall be had in that field by the Federal Power Commission.

Argument has been made that the time element involved in securing a certification would be fatal to the rapid development of the REA program. I recognize, Mr. President, that there is some force in that argument. If those who have gone into the matter feel that it would be helpful, I should be glad to support an amendment to the committee amendment giving a priority to any application for such certification so as to hasten the decision by the Federal Power Commission. If those who have examined into the matter feel that it would be helpful, I should be glad to support an amendment providing that State public utilities commissioners or persons holding equivalent office might also make the investigation and certification. Anything which would expedite the determination would in my opinion be advisable, and should have general support.

However, I feel that every safeguard possible should be thrown around those who are seeking to help themselves, and who must turn aside from their everyday duties and occupations into a new field in order to do so. The distinguished majority leader called attention to the procedure by which REA cooperatives are organized—the calling together of the farmers, the presentation of the matter, the initiation of the contract or basic agreement, and so on, until finally the cooperative is evolved. I call attention to the fact that that must all be done by men and women who are making their living doing something else. They must turn aside from their regular occupations and endeavor to inform themselves in a new field. They must necessarily seek technical and expert advice. Ultimately they must have technical and expert employees, and they must control and operate the entire program and still continue their major and primary occupation in the field of agriculture.

I feel that it is the duty of the Congress to do everything possible to minimize that extra effort, not only from the standpoint of assistance in reducing the amount of time necessary for consideration by men and women on the farms, but because the more we can simplify the operation the less danger there will be of great loss to those who engage in it.

I invite attention to pages 53, 54, 55, and 56 of the Senate committee hearings on this matter. There are listed approximately 80 REA organizations which are in default, either as to payment of principal or interest, or both. The total amount in default is \$632,946.

Mr. President, I do not call attention to that situation critically. I am not at all of the opinion that it is too great a default to be expected, particularly under the circumstances with which we are faced, having just emerged from a war period. I call attention to it only because there is listed opposite each REA organization which has defaulted the Rural Electrification Administration's reason for the default. Those reasons are many and varied. Among them are such rea-

sons as these: In connection with a default of \$90,000—

High power cost from small generating plant installed when project started because utility refused to supply power at reasonable rate. Construction of additional distribution lines retarded by WPB restrictions.

Again, in connection with a \$3,800 default—

Too small to be efficient operating unit; high wholesale power cost.

And so forth. The reason is given in each instance. A careful consideration of this list leads one inescapably to the conclusion that the major reason is lack of time and expert knowledge on the part of those in the rural and farming sections who are attempting to maintain a business foreign to their experience. Because that is true, I feel that it is our duty, so far as we can, to simplify the REA administration. I believe we do that when we limit it so far as we can to the construction, operation, and maintenance of the lines and their outlets. We add complexity when we add generating plants. They represent a highly technical business. To me they represent a very great danger to every unit which undertakes such construction. I believe it would be helpful to those who are engaged in operating the REA organizations if they had the benefit of the consideration which would be given by the Federal Power Commission or by a State utility commissioner or equivalent officer. An examination would be made prior to the issuance of a permit to the REA to engage in the technical field of power generation. I believe that would be a help to the farmers themselves. For that reason, Mr. President, I feel compelled to support the amendment as it has been reported by the committee.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CORDON. I am glad to yield.

Mr. AIKEN. When the Senator says that certain cooperatives are in default, does he mean that they are behind in their payments? He does not mean that they have utterly failed, does he?

Mr. CORDON. I give to the word "default" its usual meaning—default in payment of either principal or interest.

Mr. AIKEN. The Senator realizes, does he not, that there are approximately a thousand REA cooperatives, and that a great many of them are far ahead in their payments?

Mr. CORDON. As I stated, I did not mention these cooperatives critically. I particularly called attention to the fact that I felt that there were very few in default. I was astonished that there were so few in default, in view of the conditions from which we have recently emerged. I do not intend to be critical in any sense.

Mr. AIKEN. Does the Senator know whether any of the large power developments in the country are in default? Is the Bonneville Dam project, for example, fully paid out?

Mr. CORDON. The Bonneville Dam project is not fully paid out. I think the plans contemplate its paying out in 40 or 50 years. The latest report from a commercial accountant indicates that it is well on its way and is making adequate payments.

Mr. AIKEN. I believe that most of the REA cooperatives are well on their way.

Mr. CORDON. I believe that is correct.

Mr. AIKEN. The one which gets so far behind that it must be taken over has, so far as I know, never generated a kilowatt hour of electricity for itself, but was in such a position that it had to pay a very high rate to a private utility company because it could not get the power anywhere else.

Mr. CORDON. Certainly I do not oppose the right resting in the REA cooperative to generate its own electricity at any time that it cannot secure electricity from another source at a reasonable rate.

Mr. AIKEN. I agree with the Senator from Oregon that in the long run the Bonneville project will pay out, and pay out handsomely; but I also maintain that nearly all of the 80 REA cooperatives will also come through all right.

Mr. CORDON. I agree with the Senator from Vermont in that statement.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 4, beginning in line 9.

Mr. WILEY. Mr. President, the State of Wisconsin has made a success of the REA, and also of private utilities. I shall not discuss this issue. Because I happen to have a few shares of stock in some private utilities, and because there seems to be a conflict of interest, I ask unanimous consent that I be excused from voting on this question.

The PRESIDING OFFICER. Without objection, the Senator from Wisconsin is excused from voting.

The question is on agreeing to the committee amendment on page 4, beginning in line 9. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the senior Senator from New York [Mr. WAGNER]. On this vote, I transfer that pair to the senior Senator from New Jersey [Mr. HAWKES] and, therefore, I shall vote. I vote "yea."

The roll call was concluded.

Mr. GUFFEY. My colleague [Mr. MYERS] is unavoidably detained on public business. If he were present, he would vote "nay."

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS], and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. HOEY], the Senator from West Virginia [Mr. KILGORE], the Senator from Illinois [Mr. LUCAS], the Senator from Texas [Mr. O'DANIEL], the Senator from Florida [Mr. PEPPER], and the Senator from Montana [Mr. WHEELER], are detained on public business.

The Senator from Montana [Mr. MURRAY] and the Senator from Idaho

[Mr. TAYLOR] are absent on official business.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a representative of the United States to the General Assembly of the United Nations.

On this question, the Senator from Montana [Mr. WHEELER] has a general pair with the Senator from Maine [Mr. WHITE].

If present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from West Virginia [Mr. KILGORE], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. PEPPER], the Senator from Idaho [Mr. TAYLOR], and the Senator from New York [Mr. WAGNER], would vote "nay."

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS] is recovering from a recent operation.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate on official business of the Small Business Committee, of which he is a member.

The Senator from Delaware [Mr. BUCK] and the Senator from Oregon [Mr. MORSE] are necessarily absent.

The Senator from New Jersey [Mr. HAWKES] is absent on official business of the Interstate Commerce Committee. If present, he would vote "yea."

The Senator from Maine [Mr. WHITE] is detained in an important committee meeting. He has a general pair with the Senator from Montana [Mr. WHEELER].

The result was announced—yeas 21, nays 52, as follows:

YEAS—21

Austin	Gerry	Reed
Bailey	Gurney	Revercomb
Ball	Hart	Robertson
Bankhead	McKellar	Smith
Brewster	Millikin	Taft
Bridges	Overton	Thomas, Okla.
Cordon	Radcliffe	Tydings

NAYS—52

Aiken	Hayden	Murdock
Barkley	Hickenlooper	O'Mahoney
Bilbo	Hill	Russell
Briggs	Huffman	Saltonstall
Bushfield	Johnson, Colo.	Shipstead
Butler	Johnston, S. C.	Stanfill
Capper	Knowland	Stewart
Carville	La Follette	Thomas, Utah
Donnell	Langer	Tobey
Downey	McCarran	Tunnell
Ellender	McClellan	Vandenberg
Ferguson	McFarland	Walsh
Fulbright	McMahon	Wherry
George	Magnuson	Willis
Gossett	Maybank	Wilson
Green	Mead	Young
Guffey	Mitchell	
Hatch	Moore	

NOT VOTING—23

Andrews	Glass	O'Daniel
Brooks	Hawkes	Pepper
Buck	Hoey	Taylor
Byrd	Kilgore	Wagner
Capehart	Lucas	Wheeler
Chavez	Morse	White
Connally	Murray	Wiley
Eastland	Myers	

So the committee amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 5458) was read the third time and passed.

Mr. McKELLAR. I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. TYDINGS, Mr. RUSSELL, Mr. BROOKS, Mr. BRIDGES, and Mr. GURNEY conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. WOLCOTT, and Mr. CRAWFORD were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 2348. An act to provide for the coverage of certain drugs under the Federal narcotic laws; and

H. R. 4571. An act to amend the First War Powers Act, 1941.

MODIFICATIONS IN THE AUTHORIZATION FOR CERTAIN SUBSIDIES

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BARKLEY. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BARKLEY, Mr. DOWNEY, Mr. MURDOCK, Mr. TOBEY, and Mr. TAFT conferees on the part of the Senate.

ALBERT E. SEVERNS—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2335) for the relief of Albert E. Severns, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment, as follows:

In lieu of the sum inserted by the Senate amendment, insert \$2,500; and the Senate agree to the same.

ALLEN J. ELLENDER,
ARTHUR CAPPER,
Managers on the Part of the Senate.

DAN R. MCGEEHEE,
W. A. PITTENGER,
Managers on the Part of the House.

Mr. ELLENDER. I move the adoption of the conference report.
The report was agreed to.

MRS. S. P. BURTON—CONFERENCE REPORT

Mr. HUFFMAN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2487) for the relief of Mrs. S. P. Burton, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

JAMES W. HUFFMAN,
ALLEN J. ELLENDER,
Managers on the Part of the Senate.

DAN R. MCGEEHEE,
J. M. COMBS,
JOHN JENNINGS, JR.,
Managers on the Part of the House.

Mr. HUFFMAN. I move the adoption of the conference report.

The report was agreed to.

BUREAU OF SCIENTIFIC RESEARCH

Mr. MEAD. Mr. President, as chairman of the subcommittee of the Committee on Commerce, which considered Senate bill 1248, which was introduced by the Senator from Arkansas [Mr. FULBRIGHT], I should like to have the bill considered by the Senate this afternoon. I doubt whether it can be considered by unanimous consent, but if it cannot I shall move, if it be agreeable to my colleagues, that the Senate proceed to the consideration of Senate bill 1248.

Mr. TAFT. What is the calendar number?

Mr. MEAD. Calendar No. 918.

The PRESIDENT pro tempore. The clerk will state the bill by its title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1248) to establish a Bureau of Scientific Research, and for other purposes.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. TAFT. I object.

Mr. MEAD. Mr. President, I move that the Senate proceed to the consideration of Senate bill 1248.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from New York.

Mr. TAFT. Mr. President, there have been introduced three or four bills representing many different theories with respect to the proper method of establishing a Bureau of Scientific Research. It seems to me that more notice should have been given of the intention to ask that the Senate consider a bill of such importance as the one which the Senator from New York seeks to bring up.

I think the Senator should wait until next Monday or Tuesday before asking that the Senate take up the bill. Many Senators are not present and cannot now consider the matter. Other bills have been introduced which have yet to be given a hearing, as I understand, before the committee to which they were referred.

Mr. MEAD. Mr. President, it would be perfectly agreeable to me to make Senate bill 1248 the unfinished business of the Senate. The bill has been on the calendar for some time. The sponsors of the other bills to which reference has been made have, as I understand, agreed on a simple proposal. That is a matter entirely different than the one now before us. The proposal represented by the other bills deals with basic research and basic science. Senate bill 1248 deals with the application of the sciences and research work to the problems of today. It is an aid primarily to small business. It would provide a service which has not otherwise been provided, and cannot be provided by small independent business.

Mr. TAFT. Mr. President, the bill which was introduced by the Senator from Virginia [Mr. BYRD] has been on the calendar much longer than the bill to which the Senator from New York has referred. The bill introduced by the Senator from Virginia would establish a research board for national security. It is Calendar No. 549, Senate bill 825. A somewhat different question is there involved, and it seems to me that the entire subject should come up at one time, and that sufficient notice should be given that the subject is to be considered.

Mr. REVERCOMB. Mr. President, with reference to the subject now being discussed, I invite attention to the fact that there is now pending before the Military Affairs Committee a bill which was only recently reported by a subcommittee of that committee which gave months of time to hearings on the subject. The bill to which I refer is Senate bill 1850. It deals with the general subject of establishing a foundation for scientific research. Undoubtedly it will incur a great deal of discussion in the full committee before which it is now pending. I am advised that the bill referred to by the Senator from New York is somewhat different, but is along the same line. I have not had an opportunity to study the bill which the Senator from New York has moved that the Senate proceed to consider. I know however, as a member of the subcommittee of the Military Affairs Committee, that the general subject is one which will precipitate an extended discussion both in the Military Affairs Committee, and perhaps on the floor of the Senate. The report from the subcommittee is now pending before the Committee on Commerce, and is pending there today because there was introduced in the Senate and referred to the Committee on Commerce a bill dealing with a proposed foundation for scientific research.

Moreover, I am advised that pending before the Committee on Commerce is another bill dealing with the same sub-

ject. The bill was introduced by the Senator from Indiana [Mr. WILLIS].

Mr. President, it seems to me that if we are to approach the subject properly, all the bills to which reference has been made should be before the Senate, or certainly we should have an opportunity to study them and know what differences may exist between them, and not take up the matter piecemeal by discussing and considering only one bill which deals with any one phase of the subject.

I hope the Senator from New York will not urge his motion, but instead will wait until the other bills on the subject are before the Senate so that we may then consider the subject in its entirety, and not consider only one of the bills on the general subject of scientific research.

Mr. MEAD. Mr. President, I may say that we now have within the Government the necessary technological research facilities. They are widespread in various agencies of the Government. The purpose of the bill which I have moved that the Senate proceed to consider is to coordinate the services which now exist, and make them more readily available to small independent businesses which will require those services if they are successfully to compete in the modern industrial age in which we now live.

At any rate, Mr. President, I shall be governed in great part by the wishes of the author of the bill.

Mr. FULBRIGHT. Mr. President, I may say for the information of the Senate that this bill was called up on the calendar at a time when, unfortunately, I was not present in the Chamber. It was passed over. I have discussed with the minority members of the committee as to when would be a proper time to bring the bill before the Senate. There is some confusion with reference to the purpose of the bill. I may say that it is not designed to further research in the basic sciences. So far as research is concerned, the bill is designed merely to coordinate what is already within the Government. One of the principal purposes of the bill is to maintain an index of technological knowledge which already exists within the Government. One of the principal subjects with which the bill deals in the immediate future is the mass of industrial secrets of the Axis countries now being gathered by experts of the Army and the Department of Commerce.

I invite attention to an article by a writer by the name of Ball which appeared a few days ago in the Washington Post. In his article he commented on the number of industrial secrets which are being brought to our Department of Commerce from Germany and are being declassified by the Department of Commerce.

Senate bill 1248 would provide for the establishment of technical services within the Department of Commerce. It is entirely different from the bill which is commonly known as the Kilgore or Magnuson bill.

It may be that further opportunity should be given to Senators to study the bill. However, there is no reason to consider it together with the other bill, because there is no real connection between the two. It is true that when the other

bill was drawn the subject of atomic energy was in mind. But Senate bill 1248 is not designed to conduct research into the subject of atomic energy, or basic science, but to make available to the public the knowledge we already have. It should be made available to small business as soon as practicable.

Mr. REVERCOMB. Mr. President, I may say to the Senator from Arkansas that the bill now pending before the Military Affairs Committee, known as the Kilgore-Magnuson bill, provides for an over-all treatment and study to be made of scientific research, and is bound to reach into a field which will bring it into conflict, it would seem to me, with any other bill dealing with a definite or particular department of the Government.

I do not object to the bill of the Senator from Arkansas, but I assert that the Senate should not consider the subject piecemeal. It should be done with the whole subject of scientific research brought on for hearing on the bill of the Senator from Arkansas, the bill now pending before the Committee on Military Affairs, and other bills such as the one introduced by the Senator from Indiana. If we take this matter up piecemeal, we are going to find conflicts in some of the provisions of particular bills, such as the one now sought to be considered.

Mr. WILLIS. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. WILLIS. I should like to say, in this connection, that while the bill introduced by myself and some of my colleagues perhaps does not conflict in any way with the bill the Senator from Arkansas is presenting, yet this whole subject should be reviewed in the light of the over-all definitions. It is a subject to which I presume very little attention has been paid by the laymen of the Senate, and I think it would be most unwise to take up this segment of scientific research work without having the whole picture before us. I believe it would be unwise, and I do not think the Senator from New York should press his motion at this time.

Mr. FULBRIGHT. Mr. President, one further comment. I am not disposed to press the bill until Senators can have an opportunity to study it. But this is not a piecemeal approach. There are different subjects involved. It is no more piecemeal than a steel plant is a piecemeal research operation. This is a practical matter. True, there is some connection between the laboratory in the University of Indiana or the laboratory at MIT, and the industrial manufacturing plants, but they are generally conceded to be performing different functions. One subject is involved in my bill, and different subjects in the other bills. There is a relationship, but no identity of purpose or function.

Mr. WILLIS. Will the Senator yield further?

Mr. FULBRIGHT. I yield.

Mr. WILLIS. Does the Senator think a majority of the Senators have a clear picture of this field of legislation? Even if it is a distinct measure the Senator is sponsoring, would it not be better to

give the Senate a little time to study it?

Mr. FULBRIGHT. I doubt that I have a clear picture of any bill except the ones from my own committees. I am not disposed to press the bill today, but I think that in the very near future these bills should be passed. For example, the one dealing with the declassification of the industrial secrets being discovered in Germany is very important. Information is being sent out every day, and I think it would be very helpful if the facts could be developed and made available to the people.

Mr. TAFT. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. TAFT. I do not quite understand the Senator's argument that his bill does not overlap others, because its terms seem exceedingly broad. It authorizes the Secretary "to undertake engineering or technological research on industrial, commercial or related problems of an important general nature, including the development of such inventions, products, and processes as may be qualified for future utilization."

That is almost broad enough to include every basic research. Certainly it is broad enough to include intermediate basic research. Then it authorizes him "to initiate and sponsor engineering or technological research or development, to be carried on by public departments and agencies or by private profit or non-profit institutions and persons, by entering into contracts or other arrangements pursuant to which he may finance."

Here we have a proposal for a department to finance research in institutions throughout the United States. Then there is the other bill proposing to finance research on some other subject. Then there is the Navy bill, and the Army bill, perhaps, to finance military and naval research.

It seems to me the subject is broad, and if we are to have the Government finance research throughout the United States, one agency should do it, and we should decide what that agency should be. I do not believe we should approach the problem in a piecemeal way.

Mr. FULBRIGHT. In the hearings in the subcommittee of the Committee on Military Affairs, which I attended last fall, all the scientists who were present, including many who have been appearing before the Special Committee on Atomic Energy, were conscious of the distinction between research in pure science and research in applied science; that is, engineering and the technology of production. They certainly have no trouble in making that distinction, and they think they are entirely different proceedings. We would not expect Mr. Urey or Mr. Oppenheimer to be engaged in investigating how one sets up a plant, or how one develops an invention for use in everyday commercial life.

Mr. BARKLEY. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. BARKLEY. Inasmuch as we are planning to recess until Tuesday, it strikes me it might be well to let the matter go over until that time, and determine what we want to do.

79TH CONGRESS
2D SESSION

H. R. 5458

IN THE HOUSE OF REPRESENTATIVES

MARCH 1, 1946

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, to supply urgent
5 deficiencies in certain appropriations for the fiscal year ending
6 June 30, 1946, and for other purposes, namely:

7 LEGISLATIVE

8 (1) *SENATE*

9 (2) *For an additional amount for clerical assistance to Sena-*
10 *tors (including chairmen of standing committees) at the rate*

1 of \$2,400 per annum, effective March 1, 1946, fiscal year
2 1946, \$76,800.

3 (3)Notwithstanding the provisions of the Act of May 10,
4 1916, as amended by the Act of August 29, 1916, the
5 Sergeant at Arms of the Senate is hereby authorized during
6 the Seventy-ninth Congress to employ, whenever necessary,
7 the services of Government employees for folding speeches
8 and pamphlets at the prevailing rates provided by law.

9 HOUSE OF REPRESENTATIVES

10 For payment to the widow of Joe W. Ervin, late a
11 Representative from the State of North Carolina, \$10,000.

12 (4)For payment to the widow of J. Buell Snyder, late a
13 Representative from the State of Pennsylvania, \$10,000.

14 Contested-election expenses: For payment to George A.
15 Dondero, contestee, for expenses incurred in the contested-
16 election case of Hicks versus Dondero, as audited and recom-
17 mended by the Committee on Elections Numbered 3,
18 \$1,000, to be disbursed by the Clerk of the House.

19 EXECUTIVE OFFICE OF THE PRESIDENT

20 OFFICE FOR EMERGENCY MANAGEMENT

21 CIVILIAN PRODUCTION ADMINISTRATION

22 Salaries and expenses: For an additional amount, fiscal
23 year 1946, for "Salaries and expenses", Civilian Production
24 Administration, including the objects specified for the appro-
25 priation "Salaries and expenses, War Production Board", in

1 the National War Agencies Appropriation Act, 1946,
 2 ~~(5)\$1,500,000~~ \$750,000, ~~(6)~~and the amount available for
 3 printing and binding is hereby decreased from ~~“\$648,000”~~
 4 to ~~“\$398,000”~~ and the amount available for printing and
 5 binding fixed at \$346,000 by the First Supplemental Sur-
 6 plus Appropriation Rescission Act, 1946, is hereby increased
 7 to \$372,000.

8 OFFICE OF DEFENSE TRANSPORTATION

9 Salaries and expenses: For an additional amount, fiscal
 10 year 1946, for “Salaries and expenses”, including the objects
 11 specified under this head in the National War Agencies
 12 Appropriation Act, 1946, \$159,000.

13 OFFICE OF PRICE ADMINISTRATION

14 Salaries and expenses: For an additional amount, fiscal
 15 year 1946, for “Salaries and expenses”, including the objects
 16 specified under this head in the Second Deficiency Appro-
 17 priation Act, 1946, ~~(7)\$1,854,000~~ \$927,000.

18 DEPARTMENT OF AGRICULTURE

19 RURAL ELECTRIFICATION ADMINISTRATION

20 Loans: For an additional amount, fiscal year 1946, for
 21 “Loans”, Rural Electrification Administration, \$100,000,-
 22 000, which sum shall be borrowed from the Reconstruction
 23 Finance Corporation in accordance with the provisions of
 24 section 3 (a) of the Rural Electrification Act of 1936, as
 25 amended.

AN ACT

Making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 1, 1946

Ordered to be printed with the amendments of the
Senate numbered

Mar
8

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued March 11, 1946, for actions of Friday, March 8, 1946)

(For staff of the Department only)

CONTENTS

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HIGHLIGHTS: House continued debate on agricultural appropriation bill. House Food Shortages Committee submitted report on dairy situation. Senate made administrative procedure bill the unfinished business. Sen. Smith inserted former President Hoover's telegram to Secretary Anderson outlining food conservation plan. Sen. Thomas introduced bill to provide for utilization of surplus farm commodities.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1947. Continued debate on this bill, H.R. 5605 (pp. 2105-28).

Agreed to the following amendments: By Rep. Granger, Utah, with a substitute by Rep. Tarver, Ga., to increase the appropriation for field crops, BPISAE, by \$26,800, for investigation of the black-root disease of sugar beets (pp. 2119-20).

A committee amendment by Rep. Tarver, Ga., changing the language limiting administrative funds under the appropriation for conservation and use of agricultural land resources, AAAAct, to read: "amounting to \$300,000,000, including administration" (pp. 2125-6).

Rejected, 53-68, an amendment by Rep. Anderson, Minn. to reduce the appropriation for Economic Investigations, BAE, by \$300,000 (pp. 2116-7).

Rejected an amendment by Rep. Rizley, Okla., to provide \$75,000 for a poultry research unit at Woodward, Okla. (pp. 2118-9).

Rejected an amendment by Rep. Walter, Pa., to provide \$75,000 for an experimental forest in the Delaware Valley (pp. 2121-2).

Rejected, 15-36, an amendment by Rep. Elliott, Calif., to increase the appropriation for Forest Roads and Trails, FS, by \$10,500,000 (pp. 2122-3).

Rejected an amendment by Rep. Taber, N.Y., to reduce by \$42,500,000 (the unobligated balance) the appropriation for conservation and use of agricultural lands resources (pp. 2124-5).

Rejected, 30-48, an amendment by Rep. Heselton, Mass., to add the following provision to the conservation and use of agricultural lands resources appropriation: "which programs shall be established under a formula for the distribution of funds among the several states in accordance with the true conservation needs of said States" (pp. 2126-8).

During the discussion, Rep. Andersen, Minn. criticized the suggested policy of allowing farm prices to drop to a world market-price level and paying subsidies to the farmers to make up the difference (pp. 2106-7).

Reps. Risley, Okla., and Andersen, Minn., discussed the press statement which quoted the Secretary as saying that most grain for hog and cattle feed is "changing hands in the black market or in other unorthodox ways" (p. 2108).

Rep. Hoeven, Iowa, praised the work of the 4-H clubs and called for the production of farm machinery that the farmers might be able to keep up their production (pp. 2108-9).

Rep. Taber, N.Y., stated that "There are a great many activities in the Department of Agriculture like the Bureau of Agricultural Economics where they are doing things that are absolutely unconscionable", and suggested a survey to find out "where the 25,000 surplus employees in the Department of Agriculture are" (p. 2110).

Rep. Gille, Ind., praised the work of the Bureau of Animal Industry (p. 2112).

Rep. Smith, Wis., pointed out the legislative responsibility to raise the farm income in the interest of the national economy (pp. 2113-4).

2. URGENT DEFICIENCY APPROPRIATION, 1946. Disagreed with the Senate amendments to this bill, H.R. 5458. The following conferees were appointed: Reps. Cannon, Ludlow, O'Neal, Rabaut, Johnson, Okla., Taber, Wigglesworth, and Dirksen (p. 2100).
3. SMALL BUSINESS. Rep. Sabath, Ill., outlined the progress of small business in the past fifteen years (pp. 2103-4).
4. DAIRY INDUSTRY. The Food Shortages Investigation Committee submitted its report on the investigation of the dairy situation (H.Rept. 1688) (p. 2135).
5. FOREIGN LOANS. Both Houses received from the President a National Advisory Council on International Monetary and Financial Problems statement on the U.S. foreign loan policy (pp. 2078, 2105).
6. REPORTS. Received the RFC report for Sept., 1945 (p. 2135).
7. FARM PRODUCTS. Received a S. Car. Legislature resolution urging the use of S. Car. farm products in the national and world food programs (p. 2136).
8. FORESTRY. Received a S. Car. Legislature resolution to direct the commissioner of agriculture and the State forester to take immediate steps to have the OPA correct discriminating price ceilings on pulpwood in S. Car. (p. 2136).
Received a Calif. Legislature petition asking for a thorough investigation of the Forest Service and the basis of its policies (p. 2136).
9. LEGISLATIVE PROGRAM. Majority Leader McCormack announced the program for this week as follows: Mon., continue consideration of the agricultural appropriation bill, then bills relating to atomic bomb tests and ships for China; Tues., H.Res. 541, conference on the Petrillo bill, and the second appropriation rescission bill; Wed., the retirement bill for Members of Congress and heads of executive agencies; Thurs. and Fri., H.R. 2501, to slow up the liquidation of rural rehabilitation projects, and H.R. 2115, transferring fur-bearing animal research activities to this Department (p. 2115).
10. ADJOURNED until Mon. Mar. 11 (p. 2135).

CONFIRMATIONS

Executive nominations confirmed by the Senate March 8 (legislative day of March 5), 1946:

INTERIOR DEPARTMENT

Thomas F. Corbally to be register of the land office at Great Falls, Mont.

SELECTIVE SERVICE SYSTEM

J. Watt Page to be State director of selective service for Texas with compensation at the rate of \$7,175 per annum.

IN THE ARMY

APPOINTMENT IN REGULAR ARMY OF THE UNITED STATES

Thomas Lovet Smith to be Assistant to the Surgeon General, with the rank of brigadier general, for a period of 4 years from date of acceptance.

POSTMASTERS

FLORIDA

Lawrence H. Raker, Crawfordville.

KANSAS

Alice M. Howe, Mount Hope.
Alvin L. Sparks, Zurich.

KENTUCKY

James T. Linville, Fourmile.
H. Clay Darnall, Hardin.
Earl D. Enlow, Hodgenville.

LOUISIANA

Gladys H. Smith, Holden.

MINNESOTA

Sadie M. Miller, Bigelow.
Henry S. Ness, Holler.

NEW YORK

Elsie B. Henderson, Circleville.
Sherleigh L. Westerdahl, Gerry.
Fannie S. Raymond, Yaphank.

NORTH CAROLINA

Margaret T. Sides, East Spencer.
Irene R. Autry, Hampstead.
Edwin C. Eller, Lansing.
Wayman C. Melvin, Linden.

NORTH DAKOTA

Walter Herman Anderson, Wildrose.

PENNSYLVANIA

Joseph F. Moran, Chinchilla.
Andrew T. Ofsonka, East Vandergrift.
Hugh W. Billingsley, Flourtown.
Leon R. Leddy, Port Clinton.
Almeda K. Francisco, St. Petersburg.
Victor D. Crum, Sinnamahoning.

TENNESSEE

Ida B. Winningham, Allons.
Pearl I. McCamish, Calhoun.
Edward B. Simmons, Westmoreland.

VIRGINIA

Harry B. Jordan, Bedford.
Samuel Washington West, Lynchburg.

WEST VIRGINIA

Luther Lacy Lilly, Coal City.
Okey L. Curry, Ellenboro.

WISCONSIN

Ruth F. Steiner, Clam Falls.

House of Representatives

FRIDAY, MARCH 8, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father Almighty, revealer of truth and sealer of every holy purpose, where love is, Thou art. O teach us the simplicity and the sublimity of such a life that walks in faith and love, in the spirit of Him who, when He was reviled, reviled not again. Here is the upper air of spiritual aspiration in which there is fellowship of confidence and peace and eager spirits are blended into brotherhood. On this day of Nation-wide prayer for the things that make for peace, O give us high courage for our tasks with sweet remembrances of love and fellowship where complainings and discontents cease. We renew our prayer for our President, that Thy continued care and watchful providence may be over him through the course of his days. Grant that all of us may be made wiser by our mistakes, and stronger by every temptation overcome. In the name of St. Mary's holy Son. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On March 6, 1946:

H. R. 129. An act to provide for the barring of certain claims by the United States in connection with Government checks and warrants;

H. R. 1315. An act for the relief of B. Pendino;

H. R. 1464. An act for the relief of Leonard Hutchings;

H. R. 1848. An act for the relief of Max Hirsch;

H. R. 2168. An act for the relief of Charles Zucker;

H. R. 2171. An act for the relief of Solomon Schtlerman;

H. R. 2240. An act to credit certain service performed by members of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service prior to reaching 18 years of age for the purpose of computing longevity pay, or for other purposes;

H. R. 2270. An act for the relief of Harry C. Westover;

H. R. 2289. An act for the relief of Arnold Mecham;

H. R. 2398. An act for the relief of Elsie Peter;

H. R. 2452. An act for the relief of Sam Kalak;

H. R. 2661. An act for the relief of W. D. Jones and Ethel S. Jones;

H. R. 2724. An act for the relief of the legal guardian of Forest Eldon Powell;

H. R. 2728. An act for the relief of R. H. Sindle;

H. R. 2769. An act for the relief of C. Frank James;

H. R. 2963. An act for the relief of William Phillips;

H. R. 2974. An act for the relief of the estate of Bobby Messick;

H. R. 3028. An act to amend the act of August 17, 1937, as amended, relating to the establishment of the Cape Hatteras National Seashore Recreational Area in the State of North Carolina;

H. R. 3046. An act for the relief of Thomas A. Butler;

H. R. 3444. An act to grant the title of public lands to the town of Safford, Ariz., for the use of its municipal water system;

H. R. 3514. An act for the relief of the legal guardian of Olga Stanik, a minor;

H. R. 3580. An act to authorize municipalities and public utility districts in the Territory of Alaska to issue revenue bonds for public-works purposes;

H. R. 3614. An act to ratify and confirm Act 33 of the Session Laws of Hawaii, 1945, extending the time within which revenue bonds may be issued and delivered under chapter 118, Revised Laws of Hawaii, 1945;

H. R. 3657. An act to ratify and confirm Act 32 of the Session Laws of Hawaii, 1945;

H. R. 3730. An act granting the consent of Congress to the State of West Virginia to construct, maintain, and operate a free highway bridge across the Monongahela River at or near Star City, W. Va.;

H. R. 3784. An act for the relief of C. H. Brumfield;

H. R. 3940. An act to revive and reenact the act entitled "An act granting the consent of Congress to Rensselaer and Saratoga Counties, N. Y., or to either of them, or any agency representing said counties, to construct, maintain, and operate a free highway bridge across the Hudson River between the city of Mechanville and Hemstreet Park in the town of Schaghticoke, N. Y.," approved April 2, 1941;

H. R. 4249. An act for the relief of Lucy Delgado and Irma M. Delgado;

H. R. 4652. An act to provide credit for past service to substitute employees of the postal service when appointed to regular positions; to extend annual and sick leave benefits to war service indefinite substitute employees; to fix the rate of compensation for temporary substitute rural carriers serving in the place of regular carriers in the armed forces; and for other purposes; and

H. R. 4932. An act to amend section 9 of the Boulder Canyon Project Act, approved December 21, 1928.

On March 7, 1946:

H. R. 854. An act for the relief of Isabel Carlson.

On March 8, 1946:

H. R. 2284. An act to eliminate the practice by subcontractors, under cost-plus-a-fixed-fee or cost reimbursable contracts of the United States, of paying fees or kick-backs, or of granting gifts or gratuities to employees of a cost-plus-a-fixed-fee or cost reimbursable prime contractors or of higher tier subcontractors for the purpose of securing the award of subcontracts or orders;

H. R. 4571. An act to amend the First War Powers Act, 1941; and

H. R. 2348. An act to provide for the coverage of certain drugs under the Federal narcotic laws.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and include certain letters and certain excerpts.

Mr. MARTIN of Massachusetts asked and was given permission to extend his remarks in the RECORD and include a resolution adopted on abolition of military conscription by the Federal Churches of Christ.

Mr. MARTIN of Massachusetts asked and was given permission to extend his remarks in the RECORD and include an editorial on housing subsidies appearing in the New York Times.

DEFICIENCY APPROPRIATION BILL

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5458) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. CANNON of Missouri, LUDLOW, O'NEAL, RABAUT, JOHNSON of Oklahoma, TABER, WIGGLESWORTH, and DIRKSEN.

THOMAS SUMNER

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1854) for the relief of Thomas Sumner, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "\$750" and insert "\$1,500."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CHRISTOPHER DANCE

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1613) for the relief of Christopher Dance, with Senate amendment thereto, and concur in the Senate amendment.

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section

79th-2nd, No. 43

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued March 13, 1946, for actions of Tuesday, March 12, 1946)

(For staff of the Department only)

CONTENTS

Adjourned.....6	Food production.....20	Reconversion.....9
Administrative procedure..1	Forestry.....16	Regional authority.....16
Appropriation.....7	Housing.....5	Retirement.....8
Civil service.....14	Inflation.....17	Subsidies.....18
Cotton.....20	Marketing.....2	Transportation.....4,21
Education.....12	Maximum employment.....15	War powers.....11
Electrification.....7,18	Price control.....18,19	Wool prices.....2
Fisheries.....13	Property, surplus.....3	

HIGHLIGHTS: Senate passed administrative procedure bill. Senate received President's recommendation on wool prices and marketing. House rejected resolution for consideration of bill for retirement of Members of Congress and executive agency heads. House received conference report on first urgent deficiency appropriation bill.

SENATE

1. ADMINISTRATIVE PROCEDURE. Passed as reported, S. 7, prescribing fair administrative procedure (pp. 2189-2208). The bill requires, with some exceptions, executive agencies to publish in the Federal Register organization descriptions, names of places of business, policy statements, certain orders, opinions, statements of rule-making procedures, notices of proposed rules, and rules; directs that other informational materials be made available; sets up procedural requirements for rule making and adjudication, including provision for hearings; sets up limitations on administrative powers; prohibits imposition of unauthorized sanctions and, except in cases of willfulness or those in which public health, interest, or safety require otherwise, provides that no withdrawal, suspension, revocation, or annulment of any license shall be lawful unless opportunity for compliance has been given prior to action; permits continuation of licensed activities until renewal application has been acted upon by the concerned agency; restates principles of judicial review of administrative action; and authorizes appointment of examiners by and for agencies, and contains certain provisions relating to their compensation and removal.
2. WOOL PRICES AND MARKETING. Received from the President his recommendations for CCC purchases to support wool on an equality with other agricultural commodities, that the purchase price shall not be revised while sheep numbers are declining, that CCC continue to sell wool at prices competitive with imported foreign wool and that the Marketing Agreements Act be made applicable to wool (pp. 2211-13).

3. SURPLUS PROPERTY. The Military Affairs Committee reported with amendment S. 1636, to amend the Surplus Property Act of 1944, to designate the Department of State as the disposal agency for surplus property outside the continental U. S., its Territories, and possessions (p. 2182).
4. ST. LAWRENCE WATERWAY. Sen. Aiken, Vt., inserted Julius H. Barnes' (Pres. Natl St. Lawrence Assn.) testimony before the S. Foreign Relations Committee favoring this project (pp. 2183-7).
5. HOUSING. Sen. Mead, N.Y., urged support of the Wyatt housing plan to remedy the critical housing shortage (pp. 2187-9).
6. ADJOURNED until Thurs. Mar. 14.

HOUSE

7. FIRST URGENT DEFICIENCY APPROPRIATION BILL. Received the conference report on this bill, H.R. 5458 (H.Rept. 1699) (p. 2239). The \$100,000,000 loan authorization for REA is not in disagreement.
8. RETIREMENT. Rejected, 116-217, a resolution for the consideration of H.R. 4199, to extend the existing contributory system of retirement benefits to Members of Congress and heads of executive departments (pp. 2229-36).
9. RECONVERSION. Rep. Sikes, Fla., pointed out the problems of reconversion, comparing present conditions with those of the period immediately following World War I (pp. 2237-8).
10. PRICE CONTROL. Received a Lawrenceville, Pa. citizens' petition opposing the continuance of OPA (p. 2240).
11. WAR POWERS ACT. The Rules Committee reported a resolution for the consideration of H.R. 5716, to repeal Title XI, Acceptance of Conditional Gifts, of the Second War Powers Act, 1942; to terminate March 31, 1947 Titles I, Emergency Powers of the Interstate Commerce Commission, II, Acquisition and Disposition of Property, IV, Purchase by Federal Reserve Banks of Government Obligations, V, Waiver of Navigation and Inspection Laws, VII, Political Activity, and XIV Utilization of Vital War Information; and to terminate June 30, 1947 Title III, Priorities Powers (pp. 2237, 2239).

BILLS INTRODUCED

12. EDUCATION. S. 1920, by Sen. Hill, Ala., and H. R. 5742, by Rep. Douglas, Ill., to provide for the demonstration of public library service in areas without such service or with inadequate library facilities. To S. Education and Labor Committee and House Education Committee. (pp. 2182, 2239.) Remarks of authors (pp. 2182, 2221-2).
H. R. 5743, by Rep. Gwinn, N. Y., in relation to the U. S. Office of Education. To Education Committee. (p. 2239.) Remarks of author (p. A1380).
13. FISHERIES. H. R. 5749, by Del. Pinero, P. R., to provide for the investigation and conservation of the fishery resources and the development of the fishing industry of the island possessions of the U. S. and of adjacent waters of the Caribbean Sea and the Atlantic Ocean. To Merchant Marine and Fisheries Committee. (p. 2240.)

attention has been called to this matter on numerous occasions, many from whom I regard as reliable sources. If this sort of thing is going on in our own Government, the sooner we find out about it the better.

Mr. Speaker, I feel that the atmosphere ought to be cleared and that investigation be made to determine, as far as can be done, whether we have individuals on our pay rolls that do not belong there. If so, of course, they ought to be dismissed. In view of the serious charges that have been made, it seems to me agencies of government should welcome such investigation and ought to cooperate in every way possible. I am not asking for any "witch hunting." I do not believe in that. I want a fair, clean, thorough, impartial investigation.

Mr. Speaker, I am today introducing a joint resolution providing for the appointment of a joint committee from the membership of the House and Senate Civil Service Committees, to be appointed by the Speaker and by the President pro tempore of the Senate, respectively, giving full power and authority for subpoena and anything else necessary to investigate the various departments and agencies and to make a joint report to the House and Senate of their findings.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. AUGUST H. ANDRESEN, for Wednesday and Thursday of this week, on account of official business.

To Mr. HOCH, for Wednesday, Thursday, and Friday of this week, on account of official business.

ENROLLED BILLS SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1613. An act for the relief of Christopher Dance;

H. R. 1615. An act for the relief of the legal guardians of John Buchan and Lawrence Gillingham, minors;

H. R. 1854. An act for the relief of Thomas Sumner;

H. R. 1890. An act for the relief of the estate of Peter G. Fabian, deceased;

H. R. 2335. An act for the relief of Albert E. Severns;

H. R. 2487. An act for the relief of Mrs. S. P. Burton;

H. R. 3791. An act for the relief of Mrs. Florence Mersman; and

H. R. 4884. An act to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of Guy F. Allen, Chief Disbursing Officer.

BILLS PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 1090. An act for the relief of Mrs. Margaret McWilliams;

H. R. 1613. An act for the relief of Christopher Dance;

H. R. 1615. An act for the relief of the legal guardians of John Buchan and Lawrence Gillingham, minors;

H. R. 1854. An act for the relief of Thomas Sumner;

H. R. 1890. An act for the relief of the estate of Peter G. Fabian, deceased;

H. R. 2335. An act for the relief of Albert E. Severns;

H. R. 2487. An act for the relief of Mrs. S. P. Burton;

H. R. 2748. An act for the relief of the Du-
buque & Wisconsin Bridge Co.;

H. R. 3224. An act for the relief of Mrs. Lionel Comeaux and New Orleans Public Service, Inc.;

H. R. 3791. An act for the relief of Mrs. Florence Mersman;

H. R. 4027. An act authorizing sale of the allotment of LeRoy Milliken on the Crow Indian Reservation, Mont.;

H. R. 4034. An act authorizing the issuance of a patent in fee to Alice Yarlott Othermedicine;

H. R. 4035. An act authorizing the issuance of a patent in fee to Wilbert Keiser;

H. R. 4269. An act for the relief of Ida Barger, Hazel A. Beecher, Etta Clark, Jesse Ruth France, John W. Nolan, Anna Palubicki, and Frank J. Schrom; and

H. R. 4884. An act to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of Guy F. Allen, Chief Disbursing Officer.

ADJOURNMENT

Mr. HOOK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 3 minutes p. m.), the House adjourned until tomorrow, Wednesday, March 13, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

(Wednesday, March 13, 1946)

There will be a meeting of the Committee on World War Veterans' Legislation, in open session, on Wednesday, March 13, 1946, at 10:30 a. m., in committee room 356, Old House Office Building, on insurance legislation.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

(Wednesday, March 13, 1946)

The Committee on Expenditures in the Executive Departments will hold hearings on surplus property on Wednesday, March 13, 1946, through Friday, March 15, at 10 a. m., in room 304, Old House Office Building.

COMMITTEE ON THE JUDICIARY

(Wednesday, March 13, 1946)

On Wednesday, March 13, 1946, Subcommittee No. 1 of the Committee on the Judiciary will hold hearings on the following bills, relating to United States commissioners: H. R. 2460 (S. 346), H. R. 2461 (S. 345), H. R. 2462 (S. 344), and H. R. 2464 (S. 344).

The hearing will begin at 10 a. m. and will be held in room 346, House Office Building.

(Monday, March 18, 1946)

On Monday, March 18, 1946, Subcommittee No. 3 of the Committee on the Judiciary has scheduled a hearing on the bill (H. R. 5234) to authorize the Federal Security Administrator to assist the States in matters relating to social protection, and for other purposes.

The hearing will begin at 10 a. m. and will be held in room 346, House Office Building.

COMMITTEE ON RIVERS AND HARBORS

(Tuesday, April 9, 1946)

The Committee on Rivers and Harbors will meet Tuesday, April 9, 1946, at 10:30 a. m., to begin hearings on projects to be reported out in an omnibus river and harbor authorization bill.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CANNON of Missouri: Committee on Appropriations. H. R. 5453. A bill making appropriations to supply urgent deficiencies in certain appropriations (Rept. No. 1699). Ordered to be printed.

Mr. BONNER: Committee on the Merchant Marine and Fisheries. H. R. 3139. A bill to authorize the Coast Guard to investigate and employ new methods of promoting safety at sea and aiding navigation; with amendment (Rept. No. 1700). Referred to the Committee of the Whole House on the State of the Union.

Mr. D'EWARD: Committee on the Public Lands. S. 1185. An act to change the designation of Custer Battlefield National Cemetery, in the State of Montana, to "Custer Battlefield National Monument," and for other purposes; without amendment (Rept. No. 1701). Referred to the Committee of the Whole House on the State of the Union.

Mr. BARRETT of Wyoming: Committee on the Public Lands. S. 1162. An act to convey certain lands to the State of Wyoming; without amendment (Rept. No. 1702). Referred to the Committee of the Whole House on the State of the Union.

Mr. SABATH: Committee on Rules. House Resolution 558. Resolution providing for the consideration of H. R. 5716, a bill to amend the Second War Powers Act, 1942, as amended; without amendment (Rept. No. 1703). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUCKLEY:

H. R. 5740. A bill to increase the rates of pensions payable to certain veterans of the War with Spain, the Philippine Insurrection, and the China Relief Expedition; to the Committee on Pensions.

H. R. 5741. A bill to increase the rates of pensions payable to widows of veterans of the War with Spain, the Philippine Insurrection, and the China Relief Expedition; to the Committee on Pensions.

By Mrs. DOUGLAS of Illinois:

H. R. 5742. A bill to provide for the demonstration of public library service in areas without such service or with inadequate library facilities; to the Committee on Education.

By Mr. GWINN of New York:

H. R. 5743. A bill in relation to the United State Office of Education; to the Committee on Education.

By Mr. SUMNERS of Texas:

H. R. 5744. A bill to incorporate the Civil Air Patrol; to the Committee on the Judiciary.

By Mr. TRAYNOR:

H. R. 5745. A bill to provide permanent additional compensation for postmasters and employees of the postal service; to the Committee on the Post Office and Post Roads.

By Mr. RANKIN:

H. R. 5746. A bill to provide increases of pension or compensation for veterans with service-connected disabilities who have dependents; to the Committee on World War Veterans' Legislation.

By Mr. DE LACY:

H. R. 5747. A bill to amend title II of the Servicemen's Readjustment Act of 1944; to the Committee on World War Veterans' Legislation.

By Mr. McMILLAN of South Carolina:

H. R. 5748. A bill to revive and reenact the act granting the consent of Congress to the South Carolina State Highway Department to construct, maintain, and operate a free highway bridge across the Santee River, at or near Leneudes Ferry, S. C. (H. R. 4231); to the Committee on Interstate and Foreign Commerce.

By Mr. PIÑERO:

H. R. 5749. A bill to provide for the investigation and conservation of the fishery resources and the development of the fishing industry of the island possessions of the United States of America and of adjacent waters of the Caribbean Sea and the Atlantic Ocean, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. REES of Kansas:

H. Con. Res. 131. Concurrent resolution to create a joint congressional committee to investigate Communists and communistic activities in the civil service of the United States; to the Committee on Rules.

By Mr. O'NEAL:

H. Res. 556. Resolution creating a special committee to investigate expenditures made by candidates for the House of Representatives; to the Committee on Rules.

By Mr. SABATH:

H. Res. 557. Resolution to create a special committee to investigate legislative lobbies; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DEWART:

H. R. 5750. A bill authorizing the Secretary of the Interior to issue a patent in fee to Claude E. Milliken; to the Committee on Indian Affairs.

By Mr. HAVENNER:

H. R. 5751. A bill to authorize the naturalization of Mrs. Kanta Chandra Gupta; to the Committee on Immigration and Naturalization.

By Mr. KLEIN:

H. R. 5752. A bill for the relief of Giuseppe Pellegrino; to the Committee on Immigration and Naturalization.

By Mr. McMILLEN of Illinois:

H. R. 5753. A bill for the relief of Herbert F. Wascher; to the Committee on Claims.

By Mr. TOWE:

H. R. 5754. A bill for the relief of James Kinoshita; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk, and referred as follows:

1695. By Mr. FORAND: Joint resolution of the General Assembly of the State of Rhode Island and Providence Plantations, requesting the Senators and Representatives from Rhode Island in the Congress of the United States to lend their efforts to the fullest of their capacity toward the passage of legislation for the expansion of the old-age and survivors insurance system with increases in present benefit payments under the Social Security Act; to the Committee on Ways and Means.

1696. By Mr. RICH: Petition of Mrs. Margaret P. Putnam and other citizens of Lawrenceville, Tioga County, Pa., in opposition to continuance of OPA; to the Committee on Banking and Currency.

URGENT DEFICIENCY APPROPRIATION BILL, 1946

MARCH 12, 1946.—Ordered to be printed

Mr. CANNON of Missouri, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 5458]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5458) making appropriations to supply urgent deficiencies in certain appropriations, for the fiscal year ending June 30, 1946, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 5.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, and 4, and agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows:

In lieu of the matter inserted by said amendment insert the following:

For an additional amount for clerical assistance to Senators (including chairmen of standing committees) at the rate of \$2,400 per annum, effective March 16, 1946, fiscal year 1946, \$67,200.

And the Senate agree to the same.

Amendment numbered 6:

That the House recede from its disagreement to the amendment of the Senate numbered 6; and agree to the same with an amendment as follows:

In lieu of the matter stricken out and inserted by said amendment insert the following: *and the amount available for printing and binding fixed at \$346,000 by the First Supplemental Surplus Appropriation Rescission Act, 1946, is hereby increased to \$398,000; and the Senate agree to the same.*



OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section

79th-2nd, No. 44

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued March 14, 1946, for actions of Wednesday, March 13, 1946)

(For staff of the Department only)

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HIGHLIGHTS: House agreed to conference report on urgent deficiency appropriation bill. Compromised at \$1,600,000 for OPA and \$1,500,000 for CPA. REA loan authorization not in disagreement. House passed appropriation rescissions bill. Includes \$5,000,000 rescission in emergency supplies for Territories and possessions. Rep. Flannagan introduced bill to provide for two additional Assistant Secretaries of Agriculture.

SENATE

NOT IN SESSION. Next meeting Thurs. Mar. 13.

HOUSE

1. URGENT DEFICIENCY APPROPRIATION BILL, 1946. Agreed to the conference report on this bill, H.R. 5458 (pp. 2244-6). The conferees agreed on an appropriation for OPA of \$1,600,000 and for CPA \$1,500,000. The REA loan authorization of \$100,000,000 was not in disagreement. The Senate has not yet acted on the conference report.
2. APPROPRIATION RESCISSIONS. Passed with amendments the second supplemental surplus appropriation rescissions bill, H.R. 5604 (pp. 2246-64). Agreed to Committee amendments by Rep. Cannon, Mo., to strike out rescissions on appropriations for FWA for the construction of public buildings in and outside D. C. (p. 2259).
Rejected, 148-171, an amendment by Rep. Taber, N.Y., previously agreed to in the Committee of the Whole, to increase the rescission on lend-lease by \$200,000,000 (pp. 2259-64).
During the discussion Rep. Cannon, Mo., explained the significance of the rescissions being made (pp. 2246-7).
Rep. Taber, N.Y., criticized the lend-lease operations (pp. 2248, 2259-60).
Rep. Celler, N.Y., proposed that our assistance to Great Britain be extended in goods rather than money (pp. 2249-50).
3. ECONOMY. Rep. Rich, Pa., urged economy in the Government to reduce the national debt (p. 2242).

4. LOBBYISTS. Reps. Hoffman, Mich., Dirksen, Ill., Savage, Wash., and Sabath, Ill., spoke in favor of an investigation of lobbying and lobbyists (pp. 2243-4).
5. ALASKAN HIGHWAY. The Roads Committee submitted an interim report on the Alaskan Highway (H. Rept. 1705) (p. 2266).
6. HOUSING. The Rules Committee reported a resolution for the consideration of H.R. 5455, to amend the Defense Housing Act, 1940, so as to authorize the appropriation of funds necessary to provide an additional 100,000 temporary housing units for distressed families of servicemen and veterans (p. 2266).
7. FOOD PRODUCTION. Received a Wis. Holstein-Friesian Assn. petition urging the continuance of maximum production of food (p. 2267).
8. PRICE CONTROL. Received a Wis. Broadcast Engineers' resolution favoring action to abolish all laws and regulations dealing with prices, wages, and production (p. 2267).
9. FORESTRY. Received a Racine (Wis.) Garden Club application for forest research center in Wis. (p. 2267).
10. LEGISLATIVE PROGRAM. Majority Leader McCormack announced that H.R. 2501, to slow up the liquidation of projects, would not be brought up tomorrow, but that the House would consider H.R. 5455, to provide temporary housing, and H.R. 4512, amending the Public Health Service Act (p. 2265).

BILLS INTRODUCED

11. LOBBYISTS. H.Res. 557, by Rep. Sabath, Ill., to create a special committee to investigate legislative lobbies. To Rules Committee. (p. 2240, March 12.)
12. ASSISTANT SECRETARIES. H.R. 5757, by Rep. Flannagan, Va., to establish two additional offices of Assistant Secretaries of Agriculture. To Agriculture Committee. (p. 2266.)
13. TERMINATION OF WAR. H.Con.Res. 132 and 133, by Reps. Robertson, N.Dak., and Schwabe, Okla., to declare Dec. 7, 1945, as the date of the cessation of hostilities in, and as the date of the termination of, the present war. To Judiciary Committee. (pp. 2266-7.)

ITEMS IN APPENDIX

14. PRICE CONTROL. Rep. Barry, N.Y., inserted Mayor William O'Dwyer's (N.Y.) testimony before the House Banking and Currency Committee urging the extension of price control (pp. A1387-9).
Rep. White, Ida., inserted Ludwig von Mises' (Austria) treatise on inflation and price control (pp. A1399-1401).
Rep. Schwabe, Okla., inserted a manufacturer's letter discussing "what the OPA has done, is doing, and will do" (pp. A1407-8).
15. SCHOOL-LUNCH PROGRAM. Rep. Doyle, Calif., inserted Mr. Davidson's (Calif. State Director, Field Service Branch) letter reporting the shortage of school lunch funds for Calif. (p. A1389).
16. SURPLUS PROPERTY. Rep. Hill, Colo., inserted a Greeley, Colo. American Legion

for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

LOBBYISTS

Mr. HOFFMAN. Mr. Speaker, I am quite sure the Member from Maine does not intend to intimate in any way that the Speaker of the House or the chairman of the Committee on Rules are a little bit slow. I am sure she does not mean that their investigation or the investigation will not go far enough. But I do hope when they do get to investigating these lobbyists, none of whom I have ever seen in my 12 years' experience here, that they will go along and investigate this man Arundel, I think that is his name, who gives these parties down here on Jefferson Island at a considerable cost to the chosen of the Democratic Party. It is my hope that they will make public Mr. Arundel's activities as a lobbyist for the Bulova Watch Corp., which has imported millions of dollars' worth of watches made by cheap foreign labor. When they get through with him they should investigate Mr. Bowles' activities and find out how much tax money he has spent to induce the school children to write in requesting that we continue OPA. Then they might go on down the line of the executive agencies and their employees and find out all about the money and efforts spent and used to influence legislation. Then let them call Postmaster General Hannegan and ask him to inform us of the pressure he has used on House Members.

There is at least one good thing about these lobbyists; they are spending their own and the money of the companies they represent. They are not relying on the Public Treasury to get the money to influence the Members of Congress as do the men at the head of some administrative agencies.

PERMISSION TO ADDRESS THE HOUSE

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LOBBYISTS

Mr. DIRKSEN. Mr. Speaker, on yesterday the House shelved a bill, and I think largely so, on the ground that this is part of a recommendation contained in the 37 recommendations made by the Joint Committee on the Organization of Congress. Now, this morning, comes an illusion to still another matter, namely, the treatment of lobbyists who appear before committees and elsewhere. May I say to you that that matter is also covered in the report of the Joint Committee on the Organization of Congress. I do hope that all or most of the reform that is contemplated in that bill can be handled as one package. Yesterday, I think, some interesting but rather inaccurate information was given to the House to the effect that because there is divergent subject matter in this report it must be broken up and scattered

among the various committees. Obviously, committees exist by virtue of the action of the House. The House can create and the House can destroy. The House can create a special committee and endow it with all the necessary power and functions to consider that kind of a report in toto irrespective of what the rules of the House may presently require, and I hope that that will be done.

As a matter of fact if my concept of the House Rules is correct the Speaker could refer legislation that is drafted in pursuance of the recommendations contained in the report of the joint committee to the Committee of the Whole House on the State of the Union for consideration.

I alluded to this matter this afternoon only because it becomes a little distressing to hear a confession that existing House rules impede action of this kind because that amounts to a confession of imprudence and that the House as a whole is not the master of its own destiny. Moreover, it might be interpreted as a kind of willing inertia based on the whole proposition of letting well enough alone.

I do not subscribe to that theory and I do believe that this House can consider the reforms of the joint committee in a single package without scattering them over a half dozen committees of this House.

PERMISSION TO ADDRESS THE HOUSE

Mr. SAVAGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. SAVAGE. Mr. Speaker, on February 27 I took the floor and attacked the activities of certain lobbyists representing the private-power interests and requested an investigation. I pointed out that these lobbyists have been increasing their work in recent years and are now doing everything possible to sabotage the efforts of those Members of this body who have fought for the development of public power for many years.

I pointed out how they are operating through so-called reclamation associations and development leagues to spread propaganda opposed to public power and to the building of Federal dams and transmission lines. They are appearing before committees of this House in opposition to appropriations for these projects with the avowed intention of taking over the distribution of power at the bus bar and again perpetrating the Muscle Shoals fraud upon the American people.

Our Speaker, the gentleman from Texas [Mr. RAYBURN], took the floor on last Monday, March 11, and confirmed, I believe, my charge that private-power lobbies are active here and that they are trying to retard the development of public-power projects in various parts of the Nation.

I am glad to learn that the distinguished gentleman from Illinois [Mr. SABATH] has introduced a resolution, House Resolution 557, for the purpose of creating a special committee to investi-

gate legislative lobbies. I congratulate the gentleman. I am sure the resolution could have no better sponsor than the dean of the House. I think this is the first step toward curbing the activities of these lobbies and I offer the gentleman my full support.

EXTENSION OF REMARKS

Mr. DOMENGEAUX, Mr. HOCH, and Mr. SABATH asked and were given permission to extend their remarks in the RECORD.

Mr. RABAUT asked and was given permission to extend his remarks in the RECORD and include an article from a Detroit paper and also a telegram.

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the RECORD in three instances and to include in one an article from the Associated Press and in the others letters from constituents.

Mr. COLE of Kansas asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by the Council of Administration of Kansas Educators.

Mr. BUFFETT asked and was given permission to extend his remarks in the RECORD in two instances.

PERMISSION TO ADDRESS THE HOUSE

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. GROSS addressed the House. His remarks appear in the Appendix of today's RECORD.]

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix of today's RECORD.]

PERMISSION TO ADDRESS THE HOUSE

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LEGISLATIVE LOBBIES

Mr. SABATH. Mr. Speaker, I am pleased that the gentleman from Michigan and others have called attention to the resolution I have introduced to provide for an investigation of the powerful, well-organized, and well-financed lobbies operating in Washington now.

I have seen, and you have seen, as have all the older Members of the Congress, some vicious and unscrupulous lobbies here in Washington. I doubt, however, that any of us have seen a time when there were so many, nor when there was more evidence of common understanding and purpose among the legislative coun-

sels and the national representatives. They know all the tricks and dodges. They can turn the flood of propaganda letters and telephone calls—and telegrams on and off as simply as an engineer opens or closes the floodgates of a dam.

I remember when over \$2,000,000 was spent by Hopson, who later went to the penitentiary. He was opposing the Holding Company Act, which he and others labeled the "death-sentence bill." The same techniques are still in use. We know that many of the people who sign telegrams and letters protesting against this and that have never read the bill and have no idea of what they are signing. Many, I am sure, as the gentleman from Texas [Mr. PATMAN] has stated, are not even consulted.

We have no laws to require registration of lobbyists, nor to limit their activities. To preserve unabridged the rights of American citizens to hold and to express political views, I do not know what kind of bill can be devised which still will make it possible to find out who pays for all this pressure, and why, and how much.

At the same time, the American people have a right to know who is footing the bill and what is going to be got out of it. I agree with the gentlemen who have spoken that we should investigate the lobbies, and I hope the committee appointed will be strong, wise, and courageous, and can write some legislative recommendations which will hold this evil in check without impairing the liberties of the people.

You will all remember the investigation in the other House which followed the fight on the Holding Company Act, and of the revelations made at that time. It was found that thousands and thousands of telegrams had been sent signed by names taken out of the telephone directories. It was found that there was a close link between some of the powerful, rich, respectable companies fighting against legislation in the interest of the people with every means at their command, and some of the vicious, un-American peddlers of racial and religious hatreds.

Turn to the classified directory of your Washington telephone book. You will find 14 solid columns under the heading, "Associations." Not all, but most, of these listings are, in plain words, lobbyists. And that does not represent all of them by any means. Telephones are hard to get and offices are hard to rent. Scores of lobbyists operate from their own apartments, or share quarters with someone else, or have been unable to obtain a telephone, and work without one, or from a hotel room. There are many attorneys actively practicing law, the bulk of whose practice is some form of lobbying.

The practices of many of the lobbyists is most objectionable. There are at least a hundred or more lobbyists in Washington who are literally operating under false pretenses; they draw retainers, and substantial retainers, on the false claim that they control the votes of Members of Congress. Nothing could be falsier or more malicious. To back up their claims they must be seen with the Members, and

so the lobbyists make a nuisance of themselves by calling at our offices, by buttonholing Members in the halls and restaurants, and by calling us off the floor. If all that fails the flood of mail and telegrams and telephone calls is turned on. Not only is it insulting to Members of Congress for these lobbyists to make their false claims of control and to assume that we are so unthinking we can be swayed by misrepresentation and pressure; it distracts us from our proper duties, prevents our accomplishing our proper work, and wears us out.

Aware of these conditions at the time of the Holding Company Act propaganda battle, I prepared legislation at that time providing for registration of legislative representatives. Similar legislation has been introduced in both houses at various times, but as yet we have taken no effective action, and the evil, far from being abated, is greater than ever before in my memory of my long service here.

EXTENSION OF REMARKS

Mr. TABER. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I expect to make in the Committee of the Whole this afternoon and include a table which was supplied to the Committee on Appropriations.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

URGENT DEFICIENCY APPROPRIATION BILL, 1946

Mr. CANNON of Missouri. Mr. Speaker, I call up the conference report on the bill (H. R. 5458) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of March 12, 1946.)

Mr. CANNON of Missouri. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, there are only two items in this bill about which there was any material difference of opinion either in the House, the Senate, or the conference committee. The first of these was Senate amendment No. 5 having to do with the Civilian Production Administration, the successor to the War Production Board. On that, the House committee approved \$1,500,000 out of the \$1,700,000 which the Bureau of the Budget had recommended. The Senate cut that item in two. When we went to conference, the difference between the two Houses involved three-quarters of a million dollars. But there was involved in this amendment the matter of housing for veterans, one of the paramount issues before the country today. It was felt that controls must be maintained in regard to the production, allocation, and

channeling of materials essential to the building of low-cost housing essential to the provision of housing for men returning from overseas with families and in desperate need of a home. On that basis, the Senate receded and we provide for this agency, which is the only agency in complete control of that phase of the situation, the full amount recommended by the Committee on Appropriations and by the House.

There was a wide difference of opinion on the second proposition, providing money for the Office of Price Administration. On that item the House had allowed \$1,854,000. Again, on this appropriation, as on the appropriation for the Civilian Production Administration, the Senate had cut it in two.

Much can be said for and against the Office of Price Administration. I doubt whether there is any other war agency that has been subjected to more bitter criticism and about which wider differences of opinion prevail than the OPA. Notwithstanding the many objections that have been offered and the many mistakes that have been made, because no agency dealing with such a wide range of subjects and covering such a vast area could be expected to operate without making mistakes, the committee decided, in the language of the gentleman from Kentucky [Mr. O'NEAL], "It was a necessary evil."

You can imagine what would have been the effect if the OPA had not been in operation during the war. The price of food, sugar, and coffee, for example, would have gone up time and again above the price at which it was maintained throughout the war. The price of farm machinery, the price of automobiles, the price of clothing would have skyrocketed all over the country. You have but to consider what would have been the effect on the price of nylons had no ceiling been placed upon them, after the demonstration seen here in Washington yesterday. In other words, the average man, the man with a moderate income, would have been defenseless. Not only would his cost of living have gone up, necessitating a raise in the wages of labor, but it would have precipitated inflation of such a serious nature that in this country, as in other countries that did not operate under OPA, we would have had to carry our money around in a basket.

It was testified before the committee that without the OPA the dollar would have been worth about 20 cents and that the average man who is dependent upon his daily wage would have been in a very serious situation.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. RANKIN. The one feature in this bill that I am most interested in is the \$100,000,000 for rural electrification. That was agreed to in the Senate as it passed the House, was it not?

Mr. CANNON of Missouri. Yes. There was some difference of opinion on that point, but we agreed shortly to the entire amount recommended by the House.

Mr. RANKIN. And it is agreed to just as it passed the House.

Mr. CANNON of Missouri. Without any variation whatever.

Mr. RANKIN. I want to commend the gentleman from Missouri [Mr. CANNON] for his support of this provision. He has rendered a great service to the farmers of the Nation by thus enabling them to electrify their homes. He deserves the gratitude of every farmer in America.

Mr. CANNON of Missouri. Mr. Speaker, I note in the newspapers a statement recently issued, and widely publicized which 16 Members of the House and Senate signed, urging that the Federal budget for the period July 1, 1947, to June 30, 1948, be balanced.

It is a consummation devoutly to be wished. But the inference is that nobody else in the House or Senate favors balancing the budget. You know there are two things essential to balancing the budget. First, we must have sufficient taxes to bring in national revenue to run the Government and reduce the national debt. Second, after we have levied taxes and have collected the revenue economy must be exercised in making appropriations. If you will look over this list of signers you will notice that almost without exception they voted the last time we had a tax-reduction bill before Congress to reduce taxes.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Texas.

Mr. PATMAN. Will the gentleman state how they voted on the Rumml plan? You know that remitted \$6,500,000,000 right in the middle of the year.

Mr. CANNON of Missouri. And practically all of them voted likewise to remit the \$6,500,000,000. What a help that \$6,500,000,000 would have been toward balancing the budget. Then I noted that when the Committee on Appropriations, in one of the most notable efforts it has made at this session to hold down appropriations, opposed the rivers and harbors and flood-control features of the first deficiency bill, 1946, on the amendment that a large number of these gentlemen who signed this statement voted against economy, voted to spend the money.

May I call attention to the fact, Mr. Speaker, that we are not going to balance the budget by getting out newspaper statements. If we propose to balance the budget, we must balance it by levying taxes and by voting against expenditures; and I earnestly recommend to every Member of the House to reflect on these facts when moved to give out a statement which leaves the inference that the Committee on Appropriations has failed to exercise economy when as a matter of fact it has exercised a greater measure of economy than any appropriations committee under similar circumstances in a similar period of the history of the United States.

May I also in this connection call attention to another measure now pending in one of the legislative committees. In order to balance the Budget, it is advisable not to wait until the authorizations come to the Appropriations Committee but to take time by the forelock and appear in opposition when the au-

thorization bill is before the legislative committees. That is where the trouble starts. After the legislative committee authorizes an appropriation, those in interest come before the Appropriations Committee and tell us we have no right to deny or circumscribe or curtail the appropriation because the authorization is a mandate from the House which makes it imperative that the Appropriations Committee report out an appropriation.

So, Mr. Speaker, Members who are interested in balancing the budget should go back to the source of the matter and when these propositions to spend large amounts of money are before legislative committees appear before the committees and take a stand for economy there where such a stand will really prove effective.

For example there is now pending before the Committee on Interstate and Foreign Commerce a bill under which the Federal Government will contribute to the States to build hospitals.

Mr. Speaker, no more worthy project could be brought before the country today than the building of hospitals. There is no more appealing subject; we need them all over the country. But the question before us is whether they should be built by the local government, by the States, by the counties or by the municipalities, or whether they should be built wholly or in part by the Federal Government.

This bill carries in it the potentiality for a draft upon the Public Treasury, so vast that it cannot now be fully foreseen. There are over 3,000 counties in the United States. A large number of them are now waiting for the Federal Government to provide the money with which to build a county hospital. There are cities all over the United States that now need new or expanded hospital facilities and which are waiting for the Federal Government to provide all or a part of the money to build them. In fact, there is the general impression throughout the United States that the Government is going back to the old WPA days of furnishing unlimited money to provide hospitals and other local facilities of every type. Of course, this has nothing to do with the provision of veterans hospitals which are being built by the Government at every strategic location.

I am heartily in favor of these hospitals, I favor providing these facilities wherever needed—but at local expense. The Federal Government is heavily in debt while practically every State in the Union is debt free and with a record-breaking surplus in its treasury.

The Federal Government is without means of providing money for every county and city that needs a hospital unless it postpones indefinitely the payment of the national debt and is willing to borrow more money and finance these facilities by deficit expenditures. While we should do everything to encourage such building by providing money to make surveys to be repaid when construction starts, the economy-minded Members of the House should appear before the legislative committee and protest further deficit spending by the Federal Government. There is no other

certain way of balancing the budget and avoiding inflation.

It might be noted some of these counties are asking the Federal Government not only to build the hospital but to maintain it. I ask the Members of the House, what would be the situation on the floor here if after the Federal Government has built these hospitals, and there are anywhere from one to a dozen in every congressional district in the United States, they came in here asking money for maintenance. Why, Mr. Speaker, the Treasury would not have a chance. As bottomless as some people seem to believe the Federal Treasury to be, it would be unable to supply even a small part of the amount required for that purpose.

So, Mr. Speaker, permit me to again remind the gentlemen of the Congress that the budget cannot be balanced by releasing statements to the newspapers. It can only be balanced by voting for taxes and against expenditures.

Mr. Speaker, I now yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I shall not oppose this particular conference report because it represents a compromise, and the amounts involved are not large enough to justify putting up a fight. However, there is an item in here for the OPA, and I want to call attention to that for just a moment. They came up here with a Budget estimate for an additional \$1,854,000. This conference report carries \$1,600,000. It involves a build-up on their part of a total of probably 1,500 to 2,000 employees. I hope the management of the OPA will pay some heed to some of the things that have been called to their attention.

They are operating a so-called information or propaganda service all over the country which is serving no useful purpose. It is not persuading the people to comply with the regulations with reference to the Office of Price Administration, but it is persuading the people that the OPA operation of that service is totally incompetent, because they are sending out the most foolish and ridiculous things.

We all understand that the real block in the housing program is in the OPA, in their regulations; regulations which have not been given consideration by any competent person. For instance, for 6 months following the war they had a regulation in effect which the lumber manufacturers tried to eliminate which required a large percentage of the lumber produced by the mills to be deck flooring for ships, for which there was no demand after the 1st of September last, and a very large percentage for things connected with ammunition, and there was no demand for that after the 1st of September. But it took the OPA 6 months, to the 1st day of March, to get out any amendment to the order, and there still are many things that need to be done to the order. As the result of that negligence and lack of ordinary common horse sense on the part of the OPA, a great many of the lumber mills were obliged to reduce their production, and that is one of the principal reasons

why the housing program has been slowed up as badly as it is.

Mr. SPRINGER. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Indiana.

Mr. SPRINGER. I was interested in hearing what the gentleman had to say about the OPA. On the question of rent control, I had a case which came to my attention from a person residing in the congressional district which I have the honor to represent, in which this person had bought a piece of property. Under the law, the rental term between the tenant and the previous owner was a renting from month to month, which under the State law of Indiana, would require 30 days' notice to terminate it. However, the OPA and the Rent Control Division refused to permit the person who purchased the property from making any attempt to secure possession under the specific provisions of our State law. Finally, however, the OPA gave the authority to this man, who had purchased the property, which he would under ordinary conditions, under the law, be entitled to receive the possession after giving a 30-day notice, stating that he could proceed to get possession of the property in 6 months and not before that time.

Mr. TABER. That is one of their regulations, and that has done a great deal to keep property vacant which otherwise would have been rented.

Perhaps one of the worst things they have done is to fail to give any consideration of an intelligent character to applications of those who are rebuilding houses for rental as apartments, that would justify the people who own the buildings in fixing them up. That has been a very serious handicap to the housing of our people. There has been in that, as in almost every feature of the OPA, an absolute failure to exercise any common sense. They have felt that instead of exercising common sense and trying to keep things going they should spend their money on foolish propaganda, which simply disgusts and revolts the public and creates a sentiment against the OPA. I am hopeful that when they get through now they will turn over a new leaf and behave themselves.

Mr. SPRINGER. In the particular case to which I called the attention of the distinguished gentleman from New York, the OPA, by its regulations, superseded the laws of the State of Indiana.

Mr. TABER. They have done that all over the country. I hope the OPA will take a lesson from the discussion that has gone on and will try to do a decent job on the things that come before them hereafter and clean up those regulations that need cleaning up with reference to lumber, so that there may be some progress made by our people in the construction and rehabilitation of homes in order that the housing of our people can go on. Today the OPA and Federal regulations are the chief handicap to the construction of houses. I hope that we can have an end to the attempts on the part of OPA to thwart housing throughout the country.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska [Mr. MILLER].

(Mr. MILLER of Nebraska asked and was given permission to revise and extend his remarks.)

Mr. MILLER of Nebraska. Mr. Speaker, it was my hope that the conference report on the urgent deficiency appropriation bill would follow very much the lines adopted in the Senate. They did cut down the amount of money that was being appropriated to the OPA.

I think these war-born agencies, of which the OPA is one, conceived, born, and dedicated as war agencies, were needed during the war, but I question very much that we need to continue them and some of the methods they have adopted since the war is over.

The OPA by their own confession and their own testimony before the committee last year said they were trying to control prices on some 8,000,000 different items in this country. I submit to you that that is ridiculous. I think recently they have taken price ceilings off bird cages, teething rings, and manhole covers. I find that they are continuing price ceilings on the pictures taken of hula-hula girls in Hawaii. That is actually still one of their regulations. I submit to the House that such regulations are ridiculous.

I think we need price control upon only the essential items of living, but I am convinced that the regulation of food could be transferred to the Department of Agriculture, where it belongs, and I think rent control ought to be transferred to the Federal Housing Agency or to the States. That is where they belong. Then the OPA with its un-American gestapo methods could fold up and quit. This country will never get rid of its growing bureaucratic government unless we end some of these war-born agencies. During the war we needed some brakes and restrictions but the OPA should be nearing the end of its existence. If appropriations are continued they will never quit. It was a war-born agency and was needed during the war. If you think the OPA is keeping down prices and helping the consumer you should look at the exhibit in room 221 of the Old House Office Building. You will see how the OPA has shoved off the market the good, standard products and in their place has permitted the market to be flooded with cheap, imitation, shoddy goods, which are costing the consumer a great deal. This is another way of concealing inflation.

I presume the House must go along on the conference report, but I do think that with the new approach to the problem of prices in this country we ought to give serious consideration to the transferring of all control of food to the Department of Agriculture and the control of rents to the Federal Housing Agency or the States and let OPA become a memory as is the dodo bird. Certainly there is no longer any necessity of their trying to control some 8,000,000 separate items of living.

Mr. CANNON of Missouri. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. GALLAGHER].

Mr. GALLAGHER. Mr. Speaker, I would like to ask a few questions of the Members of the House: What increase in prices do the Members who are fighting the OPA want on lumber? What

increase in price do they want on vacant land? What increase in price do they want on, let us say, farm machinery and other things? These are questions that I would like to ask those who are fighting the OPA.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. GALLAGHER. I yield.

Mr. HOFFMAN. On farm machinery, we would like to have a price that is great enough so that the people who are making the machinery will go ahead and make it so the farmers can buy it. Can you figure that one out? You cannot?

Mr. GALLAGHER. No; I cannot.

Mr. HOFFMAN. On food, we would like to have a price that is great enough so the farmers can afford to produce it. You cannot get that one either? On lumber, the same thing, as the gentleman suggests. In other words, we would like to be able to buy this stuff instead of having it crowded off the market by price regulations.

Mr. GALLAGHER. In other words, the people who are striking against OPA want inflated prices?

Mr. HOFFMAN. Well, wage increases are being given. They want an increase in wages, and why should not the producers get an increase in what is produced as a result of that increased labor cost?

Mr. GALLAGHER. The producers got a decrease in taxes.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

SECOND SURPLUS SUPPLEMENTAL RESCISSION ACT, 1946

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5604) reducing or further reducing certain appropriations and contractual authorizations available for the fiscal year 1946, and for other purposes; and pending that motion, I ask unanimous consent that debate be limited not to exceed 3 hours, half of the time to be controlled by the gentleman from New York and the other half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union, for the consideration of the bill H. R. 5604, with Mr. JARMAN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANNON of Missouri. Mr. Chairman, for the fourth time the committee is presenting a measure for reducing obligatory availability under wartime-granted appropriations and contractual authorizations. We expect to present another and final one, perhaps, before the fiscal year ends.

1700.
19.

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued March 20, 1946, for actions of Tuesday, March 19, 1946)

(For staff of the Department only)

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HIGHLIGHTS: Senate agreed to conference report on urgent deficiency appropriation bill. Senate passed 2nd urgent deficiency appropriation bill. Both Houses received proposed legislation for consolidated PMA appropriation accounts. House passed Flannagan farm-credit bill. House received conference report on independent offices appropriation bill. House Rules Committee cleared Cooley farm-credit bill.

NOTE: The Department has been advised that Senate hearings on the 1947 Agricultural Appropriation Bill may be delayed as much as two weeks, but that we should be prepared to appear on reasonably short notice should developments make it necessary to commence hearings earlier.

SENATE

1. URGENT DEFICIENCY APPROPRIATION BILL. Agreed to the conference report on this bill, H. R. 5458, which includes a \$100,000,000 increase in REA borrowing power and appropriations for OPA and CPA (pp. 2444-5). This bill will now be sent to the President.
2. SECOND URGENT DEFICIENCY APPROPRIATION BILL. Passed as reported this bill, H. R. 5671, which increases the FSA borrowing authority for rural-rehabilitation loans from \$67,500,000 to \$92,500,000 with a provision that \$15,000,000 of the \$25,000,000 increase be used for loans to World War II veterans, and appropriates \$3,350,000 additional for fighting forest fires and additional amounts for increased personnel costs in REPA (pp. 2460-2).
Sens. McKellar, Glass, Hayden, Tydings, Russell, Brooks, Bridges, and Gurney were appointed conferees (p. 2462).
3. WAR DEPARTMENT CIVIL APPROPRIATION BILL. Passed with amendments this bill, H. R. 5400, which was reported March 18 during Senate recess (S. Rept. 1067)(pp. 2432, 2446-50, 2455-7). Senate conferees were appointed (p. 2457). The bill contains items for flood control but, beginning with this bill, does not include the flood-control appropriations for this Department.
4. LABOR STANDARDS. Continued debate on S. 1349, the minimum-wage bill (pp. 2434-5, 2439, 2442-4).
5. ACCOUNTING. Received from this Department proposed legislation to establish one or more separate appropriation accounts through which might be paid all or any part of the administrative expenses in carrying out PIA functions. To Agriculture and Forestry Committee. (p. 2432.)

6. EXPORT-IMPORT BANK. Received the report of this Bank for the last half of 1945. To Banking and Currency Committee. (p. 2432.)
7. FOREIGN RELIEF. Sen. Wiley, Wis., inserted a letter from the Wis. Farm Bureau favoring the diversion of more grain for European relief (p. 2432).
8. PRICE CONTROL. Rep. Stanfill, Ky., stated that OPA has been unfair to grocers and inserted a Lexington Herald article on the subject (pp. 2436-8).
9. NOMINATIONS. The Military Affairs Committee reported favorably the nomination of Gen. Gregory to be War Assets Administrator (p. 2462).
Received the nominations of Bernard M. Baruch as U. S. representative on the U. N. Atomic Energy Commission and Oscar L. Chapman to be Under Secretary of Interior (p. 2462).

HOUSE

10. FLANNAGAN FARM-CREDIT BILL. Passed with amendment this bill, H. R. 4873, which would set up the FCA and FSA functions under an independent Agricultural Credit Agency, by a 239-80 vote (pp. 2463-92).
Agreed to an amendment by Rep. Taber, N. Y., to provide that "all agencies transferred to the Agricultural Credit Agency shall be operated in each county or combination of counties under one representative" (pp. 2485-6).
An amendment by Rep. Poage, Tex., to restrict the appraisal provision by providing that the "appraisers appraise only for the land bank, but the land bank may accept the appraisal without the confirmation...by appraisers who come from the head offices of the bank," was ruled out of order (p. 2488).
Rejected an amendment by Rep. E. A. Hall to provide specifically for loans to veterans (pp. 2488-9), and an amendment by Rep. Mahon, Tex., to provide for 6-year (rather than 12-year) terms for the board members (pp. 2489-91).
11. INDEPENDENT OFFICES APPROPRIATION BILL. Received the conference report on this bill, H. R. 5201 (pp. 2465-7). The conferees amended the Budget Bureau field-offices provision to read: "No part of the appropriations herein made to the Bureau of the Budget shall be used for the maintenance or establishment of more than four regional, field, or any other offices outside the District of Columbia." The amendment continuing available the \$5,000,000 emergency fund for the President is still in disagreement. The general provisions were not in disagreement (see Digest 7 for a summary of these provisions).
12. FARM CREDIT; RURAL REHABILITATION. The Rules Committee reported a resolution for the consideration of the Coolcy farm credit bill (pp. 2493, 2500).
13. COFFEE PRICES. Rep. Hale, Maine, criticized the OPA price regulations on coffee, and inserted his letter to the President recommending that controls be removed (pp. 2493-4).
14. PMA ACCOUNTING. Received from this Department proposed legislation to establish one or more separate appropriation accounts through which might be paid all or any part of the administrative expenses in carrying out PMA functions. To Agriculture Committee. (p. 2500.)
15. LUMBER PRICES. Reps. Horan, Wash., and Ellsworth, Oreg., criticized the price regulations on lumber as a hindrance to full lumber production (pp. 2497-8).

35 percent of the jobs open to women paid less than that amount.

In Columbus, 7 percent of the job openings for men paid less than \$24 a week and 47 percent of the job openings for women paid less than \$24 a week.

And in Atlanta, 30 percent of the jobs open to men paid less than \$24 a week and 69 percent of the jobs open to women paid less than \$24 a week.

If we find such low wage rates prevailing today in various sections of the country, what will happen when several more million servicemen enter the labor market? The natural effect of adding such a great number of men and women to a labor market which is gradually becoming known as a loose market, will be to lower wages still further.

In High Point, N. C., three-fourths of the jobs paid less than \$20 a week.

In Winston-Salem, N. C., a veteran was offered a job paying \$25 for a 72-hour week, to which he replied, according to the press, "I'll be damned if I am going to take it."

In Milwaukee County, Wis., in October 1945, one-third of the jobs available paid less than 65 cents an hour.

At hearings in Durham, N. C., Mr. William George Atkins, a textile worker and a veteran, when asked to give his views on the 65-cent minimum wage, replied:

Well, I think we should have it. It is like this:

I've worked in a textile plant for 15 years. I've been down here at this one for 5 years. I've worked as much as my health would let me work, which is every day that I can possibly get in.

I never have been able to save anything out of my wages. I have a wife, a mother, and four children to support. If I was working by myself I couldn't support them.

My wife has to work in order to help me support the family. If it wasn't for my mother to stay with the kids, my wife would have to stay home. If I was to hire a maid to stay there with the children, it would take practically all my wife's wages to pay the maid and that would not help any.

I've been down here several times to get a company house. I have been here 5 years and I pay \$5 a month for rent. But if I could get a company house, it would have helped some, probably \$3 a week.

Question. Mr. Atkins, are you a veteran?

Answer. That's right.

Question. How long have you been discharged?

Answer. Since the twelfth of October 1945.

Question. How does the wage you get as a textile worker compare with a private's pay in the Army?

Answer. It doesn't come up to it.

Question. How much would you earn as a private in the Army?

Answer. \$144, allowances and all.

Question. How much would that be an hour?

Answer. 80 cents an hour.

Question. Is your family getting along as well on what you make now as they did when you were in the Army?

Answer. Well, they got along some better when I was in the Army.

Robert Wood Johnson, chairman of the board of Johnson & Johnson, told a Senate subcommittee to take the position that—

the average American workman cannot keep body and soul together on less than \$30 a week anywhere in the United States.

On the basis of a 40-hour week, I therefore, recommend a 75-cents-per-hour minimum

wage throughout the Nation. * * * It can be said that a large portion of our underpaid are unmarried and that single individuals can exist on less than \$30 a week.

It is well to add, however, that the great majority of single men and women have responsibilities to parents, brothers, sisters, and relatives that are frequently comparable to those of the head of a family.

Testifying further, General Johnson, discussing wages in relation to costs, said:

I suppose it is impossible to discuss any question of wages, even the establishment of fair minimums, without some consideration of the broader aspects of the relation of wages to costs.

It is a great surprise to me that this outstanding feature of American economy is so little understood.

Some will say that industry moves to low-wage areas. This is a fallacy. Factories move to markets, not to low-wage areas.

We are surrounded every day from morning to night with thousands of examples that go to prove beyond discussion that the most outstanding characteristic of our country, in terms of economics, has been its accomplishment in the field of production and distribution.

On every side we see proof of the ability of this country to pay higher wages and sell at lower costs.

Now, let us suppose for a moment that Congress does not establish this 65-cent minimum wage and provide for a 75-cent minimum within a period of 4 years. What is going to happen to the veteran who has an unskilled labor classification?

Many of them will stay out of the labor market as long as they can receive the \$20 a week provided by the servicemen's readjustment allowances. The present average length of time a veteran receives this \$20 a week is about 6 weeks.

But if America cannot provide more than \$20 a week in a productive job, if we cannot set the minimum at the 65-cent level at least, or at \$26 a week, will not these veterans stay on the SRA pay roll for longer periods of time and let the Government, you and I, pay the bill?

Which is better, to let Uncle Sam pay the veteran \$20 a week for long periods of time or provide a decent minimum wage, for which the veteran can work in a job in which he can feel that he is a vital part of a dynamic productive economy?

These GI Joes did a glorious job for their country and as a group they are not complaining about the situation at home—not yet.

Their first reaction is joy at being home again; they are civilians again; they relax for a few weeks, then start seeking their places in the American scene.

Then comes the first shock of small-pay jobs; the stark reality of lack of experience; a mounting sense of pressure; a fear that there may not be any good-paying jobs, an undercurrent of disillusionment about lower-paid jobs, and then, almost in despair, a willingness to take anything that is offered.

Remember when they marched off to war? The kid down the street, and the druggist's son, your sons and your nephews? Remember how fervently we promised them in friendly salute and by legislative enactment that we would provide for them when they came home? Remember the promises we made? We

made those promises resolutely in good faith and we must keep them as resolutely as we made them.

When we told our fighting men that they were fighting enemies who would banish freedom from the earth; when we told them that we were fighting, all of us, for a world in which all men would have the right to a job and a decent standard of living, and the opportunity to advance, those were not empty words. They were the words of men and women who believed that these things were worth fighting for.

Now that the great crisis is over, are those principles and ideals any less important?

Are we going to say to those 11,000,000 men and women who fought for these cherished ideals that now the fat is out of the fire we do not want to remember the promises we made; we do not want to remember the sacrifices they made; that we have forgotten and that they are the forgotten men?

Mr. CARVILLE. Mr. President, there are few Americans today who will disagree with the principle of the minimum wage as established in the Fair Labor Standards Act of 1938. Oh, there are some, of course, but it has been my observation that a great majority of those who fight the minimum-wage principle are those who have special interests of their own or who are attacking this bill in the interest of a favored few.

I hold no brief for the kind of theories which have been humorously referred to as "a chicken in every pot," or a \$30 pension every Thursday, or any other such impractical scheme, but I do know that America can afford and should provide wages which will guarantee a minimum standard of decency for all its citizens.

Even if we look at this problem from a purely cold-blooded financial standpoint, I believe we must admit that an increase in minimum wages is imperative.

All financial experts have agreed that if this Nation expects to pay off the staggering national debt necessarily accumulated in our victorious war effort, a high national income must be maintained.

We cannot guarantee increased national income if we do not guarantee increased minimum wages. We cannot maintain a high level in national income on a starvation wage basis.

Senate bill 1349 does not even provide for that minimum for a family of four. An emergency level budget for a family of four, used by the Works Progress Administration in 1935 as a guide in handling unemployment relief, was priced in 1944 in five textile communities in the South and in New England. That budget cost the manual worker's family a little over \$1,400. Slight increases in the cost of living since January and February 1944, when that study was made, would bring the total cost of that emergency level budget to about \$1,450 at the present time. This is an emergency level I am talking about—an emergency level to keep people from absolute starvation. It does not include any of the things we usually mean when we talk about the American way of life.

As Senators know, the pending bill provides for a minimum wage of 65 cents an hour, or \$1,300 a year. Where will the other \$150 for a family of four come

from? Shall the members of such a family, where there is only one breadwinner, cut down on their expenditures for food and clothing? Let us see if they can. That emergency level budget included 15 cents a meal per person and \$16.73 a month for rent, and other items in proportion. Is there a chance to cut down on such a budget?

How is it possible to cut down on a family budget when it does not, in the first place, provide enough meat and potatoes, milk and eggs, enough fruits and vegetables, enough clothing, or enough of anything to maintain that level of decency we have in mind when we think of America.

Mr. President, some of the opponents of the bill will say that there is such a large proportion of American workers who are single that these figures on an emergency-level budget for a family of four do not apply. Let us take a look at the facts. In 1941 only 25 percent of the workers in America who were below the minimum-wage level proposed in this bill were single men and women, and I am informed that the percentage is about the same at present.

Three-fourths of the wage earners of America getting less than the minimum wage are married. That is sufficient, so far as I am concerned, to justify raising the minimum for all. But of course that does not mean that the raise is not justified also for those workers who are single. Is it necessary to place a stigma upon a person simply because he or she is not married? Is their labor not worth as much as that of a married man or woman? Furthermore, all evidence points to the fact that the minimum wage of 65 cents proposed by the bill does not even provide a decent standard of living for a single person in these modern times.

The Heller committee for research in social economics of the University of California compiles the budget and other studies used by the minimum-wage board of the State of California. Statistics prepared by this group are generally regarded as the most carefully drawn of any budget ever developed by a private agency. For that reason I feel studies made by the Heller group concerning the standard of living in San Francisco are particularly impressive. The study to which I refer showed that for a single woman, living alone in San Francisco, an income of \$1,439 annually was necessary to enable her to maintain herself adequately.

In New York State—not New York City—the cost for an adequate budget for a single woman, living alone, was calculated by the New York State Department of Labor to be more than \$1,300 annually. And \$1,300 is the amount provided in this bill for full employment through 50 weeks of the year.

In the face of such studies, the arguments of those who oppose the bill fade into contentious opinion or into wishful thinking in a vain hope to defeat the bill.

Practically all of the expert testimony before the subcommittee was to the effect, that the 65-cent minimum—or a wage of only \$1,300 a year—was not even sufficient to maintain either the single worker or the wage earner with a family at a

standard of decency or adequacy. Offering such statements were such men as Clinton P. Anderson, Secretary of Agriculture; Mr. A. F. Hinrichs, Acting Commissioner of the Bureau of Labor Statistics; and Mr. Chester Bowles, OPA Administrator. And may I point out that studies conducted under the direction of agencies these gentlemen represent are conducted from an objective point of view. Theirs is no special interest, save the special interest of the welfare of the people as a whole.

Mr. Bowles pointed out in his testimony in regard to submarginal workers:

Before the war they eked out a living at the bargain counter. They bought clothing that had been passed over by other customers of unattractiveness or unserviceability. They bought the foods which were a glut on the market or which were marked down just before the close of business to avoid spoilage. They lived in dilapidated dwellings without even a decent minimum of medical care.

I would challenge only one part of Mr. Bowles' statement, and that is his reference to eking out a living. In my view, the statement should have referred to eking out a bare existence.

Pointing out the need for raising the minimum wage, President Truman requested Congress last September to review and amend the Fair Labor Standards Act of 1938 in order to increase substantially the present statutory minimum wage rate of 40 cents an hour. At that time, President Truman said, in part:

The foundations of a healthy economy cannot be secure so long as any large section of our working people receive substandard wages. The existence of substandard wage levels sharply curtails the national purchasing power and narrows the market for the products of our farms and factories. * * * I believe that the goal of a 40-cent minimum was inadequate when established. It has now become obsolete.

Later in his message on the state of the Union, on January 21 of this year, the President said further:

The proposed minimum wage of 65 cents an hour would assure the worker an annual income of about \$1,300 a year in steady employment. This amount is clearly a modest goal.

Supporting these statements of the President are the testimony of expert after expert and the statements of worker after worker to the effect that the minimum is barely above the existence level, and that it is clearly not adequate for either married workers or for those who are single. In view of the facts, America can ill afford to sit idly by while the wage earners of the Nation continue to subsidize industry and special interests so that business may continue as usual and so that profits may be heaped upon profits.

The tempo of living is increasing in our Nation. The distinguished Senator from Utah [Mr. THOMAS] ably pointed out last Friday that over a long period of time the minimum-wage level has advanced from 10 cents until now it stands at 40 cents. The level has remained static at 40 cents for too long a period of time when one considers the rapid advances made in all other fields. We cannot have continued progress for the entire Nation unless each and every seg-

ment of national life progresses. During the war the speed of a convoy was determined by the speed of the slowest ship in the group. So will the level of our national existence be determined by the minimum wage we establish here. Let us not put the drag of a bare-existence wage on the American standard of living.

Most of the opponents of the bill, in attempting a refutation of expert testimony as to the proper wage necessary to maintain the health, efficiency and general well-being of workers, offer opinion and conjecture, but present few facts in support of the view of a minority of the Nation who would block passage of Senate bill 1349. Senators have heard on this floor ample argument and factual concrete reasons for passing the bill, presented by those who have the welfare of the Nation as a whole at heart.

The wage earners of America need support. Particularly is this true of those workers who are getting less than the 65 cents provided in the bill, because a majority of such workers are not represented by unions and thus have no bargaining power. Such workers must be protected, and I suggest that the Congress of the United States in its function of legislating in the interests of the Nation as a whole, protect such workers by passing Senate bill 1349.

There is ample evidence to show that industry can afford it; that price rises will be necessary in but few isolated instances and in very small amounts in order to provide the 65-cent minimum. The increased purchasing power of the workers brought up to the 65-cent level will provide greater markets for American farmers. The minimum wage law should be passed as a service and protection to our veterans. Furthermore, it should be pointed out that in our economy of from one hundred and fifty to one hundred and sixty billion dollars a year and increased production per worker, the wage earner must receive an increased share of the profits of his productivity.

URGENT DEFICIENCY APPROPRIATION ACT, 1946—CONFERENCE REPORT

Mr. THOMAS of Oklahoma obtained the floor.

Mr. McKELLAR. Mr. President, will the Senator yield to me so I may present a conference report?

Mr. THOMAS of Oklahoma. I yield.

Mr. McKELLAR. I submit a conference report on the urgent deficiency appropriation bill.

The PRESIDING OFFICER. The report will be read.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5458) making appropriations to supply urgent deficiencies in certain appropriations, for the fiscal year ending June 30, 1946, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 5.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, and 4, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"For an additional amount for clerical assistance to Senators (including chairmen of standing committees) at the rate of \$2,400 per annum, effective March 16, 1946, fiscal year 1946, \$67,200."

And the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert the following: "and the amount available for printing and binding fixed at \$346,000 by the First Supplemental Surplus Appropriation Rescission Act, 1946, is hereby increased to \$398,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,600,000"; and the Senate agree to the same.

KENNETH MCKELLAR,
CARL HAYDEN,
MILLARD E. TYDINGS,
RICHARD B. RUSSELL,
CHAS GURNEY (ex-
cept on item No. 7).

Managers on the Part of the Senate.

CLARENCE CANNON,
LOUIS LUDLOW,
EMMETT O'NEAL,
LOUIS C. RABAUT,
JED JOHNSON,
JOHN TABER,
R. B. WIGGLESWORTH,
EVERETT M. DIRKSEN,

Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

Mr. WHITE. Mr. President, will the Senator from Tennessee indicate what agreements were reached in conference? What are the substantial matters dealt with?

Mr. McKELLAR. There are only two. One concerns the OPA and the other the CPA.

Mr. WHITE. Was there complete agreement among the Senate conferees?

Mr. McKELLAR. No, there was not. The Senator from South Dakota [Mr. GURNEY] agreed to the report with the exception of the provision with respect to OPA, as I recall. I hope the Senator from South Dakota will not object to the report. All the other members of the conference committee signed the report without having any objection to it.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. GURNEY. In the conference meeting it was stated that the Office of Price Administration had, without the appropriation contained in the bill, approximately \$29,000,000 with which to operate from now until June 30. The extra amount carried in the appropriation bill for OPA was \$1,854,000, I believe, to be added to the \$29,000,000.

Mr. McKELLAR. That is correct. It was testified that the additional amount was necessary.

Mr. GURNEY. The Senate cut the \$1,850,000 in two, which would have given the Office of Price Administration ap-

proximately \$30,000,000 instead of \$29,000,000 with which to operate for the remainder of this fiscal year.

Mr. McKELLAR. As I recall, the conferees agreed on an additional \$1,600,000.

Mr. WHITE. Is that the agreement?

Mr. GURNEY. I did not agree to that amount for OPA. I agreed to the remaining items in the bill.

Mr. WHITE. Did the other conferees agree to this figure?

Mr. GURNEY. I was outvoted.

Mr. WHITE. That is what I wanted to get at. Did the other minority conferees agree and sign?

Mr. GURNEY. I was the only minority conferee present, and I voted the absent conferees on the minority side as I voted. So the minority conferees did not agree to the amount of \$1,600,000 finally agreed on by the majority.

Mr. BRIDGES. Mr. President, in answer to the distinguished Senator from Maine, let me say that I concur in the views expressed by the Senator from South Dakota [Mr. GURNEY]. I was not present at the conference, and did not sign the report, but the Senator from South Dakota represented my views there, and he has expressed them on the floor. I am still of the same opinion, although I am not going to raise an objection at this time to action on the conference report.

Mr. McKELLAR. I thank the Senator.

Mr. GURNEY. Mr. President, I should like to make one statement, if the Senator from Tennessee will further yield.

Mr. McKELLAR. I yield.

Mr. GURNEY. With the adoption of this conference report the Office of Price Administration certainly will have plenty of money to function for the remainder of the present fiscal year. The conferees agreed on an additional \$1,600,000.

Mr. McKELLAR. That is correct.

Mr. GURNEY. That will give the OPA a total of approximately \$30,600,000 to spend between now and June 30, which certainly should be sufficient.

Mr. McKELLAR. It seems so to me. I agree with the Senator.

Mr. OVERTON. Mr. President, there were only two items in controversy. One was the appropriation for the Civilian Production Administration. That was debated for some time on the floor of the Senate, and was very thoroughly considered by the Committee on Appropriations. We came to the conclusion that that appropriation should be cut in half.

With respect to the OPA, in view of the tremendous sums which OPA already has on hand to continue for the remainder of the fiscal year, I believe that the reduction was very modest.

It seems to me that the Senate conferees abandoned the position of the Senate on the two items in controversy, and it is with rather keen disappointment that I note that that has occurred.

Mr. McKELLAR. Mr. President, it was a matter of compromise. It has been the rule in conferences on appropriations ever since I have been a Member of the Senate to compromise with the other side when an agreement cannot be reached, unless the difference is one which cannot be compromised.

Mr. OVERTON. There was no compromise with respect to the Civilian Pro-

duction Administration. There was a complete abandonment by the Senate conferees of the position taken by the Senate.

Mr. McKELLAR. The Senator is correct.

Mr. OVERTON. And there was an almost complete abandonment by the Senate conferees of the amendment adopted by the Senate with respect to the OPA. I do not intend to fight the conference report.

Mr. McKELLAR. I can understand that the Senator is not satisfied with it.

Mr. WHITE. Mr. President, I have some doubt as to the justification for the increase in this appropriation, but conference reports always speak in terms of compromises which have been reached, and which are necessary if the minds of the two Houses are to come together and if legislation is to be ultimately passed and have the approval of the President. Under the circumstances, unless some of the minority members of the conference desire otherwise, I have no disposition to object to the consideration of the report.

Mr. McKELLAR. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. TAFT. Mr. President, I think we should read into the Record what Mr. Bowles said about us after we reduced the appropriation by about \$900,000. Mr. Bowles said:

The Nation's whole effort to settle labor-management disputes quickly, to speed up production, to wipe out black markets, to keep rents and prices in line and to get houses built for our veterans is threatened with a severe setback unless the Congress acts to restore funds and essential housing legislation which were washed out last week.

Mr. Bowles contended that "the move to cut these vital appropriations was inspired by a few old enemies of price and rent control whose primary interest was not money-saving at all but a cellar-door attack on the Nation's whole stabilization program."

The actions taken last week, he said, "were bad news" for the following:

"All decent American families and businessmen who depend on OPA enforcement to protect them from overcharges and unfair competition."

I wonder whether the Senator from Tennessee feels that the move to cut these appropriations was inspired by "a few old enemies of price and rent control whose primary interest was not money saving at all but a cellar-door door attack on the Nation's whole stabilization program."

Mr. McKELLAR. If Mr. Bowles' name crossed my mind in the remotest way in the consideration of this matter, I do not recall it. He had nothing whatever to do with the matter. So far as his opinions are concerned, I would not be guided very far by them. I would be just as likely to be guided by the opinion of Life of a week or 10 days ago. I do not believe that I would be influenced in the slightest either by Mr. Bowles' opinion or Mr. Luce's opinion.

Mr. TAFT. I conclude briefly. Mr. Bowles further stated:

The actions were "good news," he concluded, "only for the black marketeers, gougers, and speculators; for all the selfish pressure groups who think that somehow, in an inflationary rough-and-tumble, they can get theirs and get out."

Does the Senator feel that our action had any tendency whatever toward that result?

Mr. McKELLAR. No. I have heard that Mr. Bowles is probably a candidate for the Presidency. Perhaps that had some influence. I do not know. I am simply repeating what some newspapers have said.

Mr. TAFT. Was not the net effect of our action to leave Mr. Bowles with \$27,000,000 instead of \$28,000,000, or approximately that? Is not that about the relative importance of the action which we took in saving money?

Mr. McKELLAR. In my judgment, and in the judgment of the committee, the action which the Senate took would leave him ample funds to carry out all proper functions of the OPA.

Mr. TAFT. I understand why the conference committee felt that it was necessary to restore most of the money. I think it is unfortunate. I understand the necessity of agreeing with the House; but it ought not to be taken in any way as an admission of any of Mr. Bowles' charges against the Senate, or against those who in the first instance inspired the cut in the appropriation.

Mr. McKELLAR. I hope no one will take it as an admission of any such charges.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

WAR DEPARTMENT CIVIL FUNCTIONS APPROPRIATIONS

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of the War Department civil functions appropriation bill, House bill 5400.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 5400) making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma?

There being no objection, the Senate proceeded to consider the bill (H. R. 5400) making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. THOMAS of Oklahoma. Mr. President, the bill now before the Senate is H. R. 5400, making appropriations for civilian functions or nonmilitary activities of the War Department. The bill covers river and harbor improvements,

flood-control items, items for the Panama Canal, items for the maintenance of soldiers' homes, and items for the maintenance of soldiers' cemeteries. The Corps of Engineers of the United States Army, being a branch of the War Department, requested that the Bureau of the Budget recommend and approve total appropriations for these purposes of \$335,923,240. That was divided between flood-control projects and river and harbor projects, as follows: For flood control, \$215,054,400; for rivers and harbors, \$120,868,840. In response to those requests, the Bureau of the Budget approved a total sum of only \$177,165,000. That sum is broken down as follows: For flood-control purposes, approved by the Bureau of the Budget, \$124,350,000; for river and harbor projects, \$52,815,000.

Of the total amount approved by the Bureau of the Budget, the other body of the Congress in considering the request reduced the amount considerably. The other House approved a total sum for the two functions of only \$126,161,750, which is broken down as follows: For flood control, \$96,150,000; for rivers and harbors, \$30,011,750.

The bill came to the Senate in that shape. The Senate has a leeway in regard to the bill, over and above what the House of Representatives approved, and yet still within the total estimates of the Bureau of the Budget, as follows: For flood control, a total of \$28,200,000; for rivers and harbors, a total of \$22,803,250; making a total sum which it is within the purview of the Senate to approve—and still be within the recommendations of the Bureau of the Budget—of \$51,003,250.

The Senate committee held extensive hearings on the various items. Due to the fact that, in the main, the war stopped the construction of river-and-harbor projects and flood-control projects for a long period of time, we find a great accumulation of both river-and-harbor projects and flood-control projects awaiting consideration and appropriation and construction. So the Senate committee voted to increase substantially the amounts carried in the bill as passed by the House of Representatives.

In order that the RECORD may show exactly what the Senate committee did, I ask unanimous consent that at this point in the RECORD the Senate committee's report may be printed in full.

There being no objection, the report (No. 1067) was ordered to be printed in the RECORD, as follows:

The Committee on Appropriations, to whom was referred the bill (H. R. 5400) making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made:

Amount of bill as passed House	\$285,987,498
Amount of increase by Senate (net)	73,615,000

Amount of bill as reported to Senate	359,602,498
Amount of regular and supplemental estimates for 1947	337,028,509
Amount of appropriations 1946	261,091,540

The bill as reported to the Senate—

Exceeds the estimates for 1947	\$22,573,889
Exceeds the appropriations for 1946	98,510,958

The break-down of the direct appropriation of \$359,602,498 in the bill recommended by the committee is as follows:

Quartermaster Corps:	
Cemeterial expenses	\$2,433,000
Signal Corps:	
Alaska Communication System	543,000
Corps of Engineers:	
Rivers and harbors	118,534,750
Alteration of bridges	2,900,000
Flood control, general	161,777,500
Flood control, Kern River, Kings River, and Tulare Lake, Calif.	2,000,000
(\$1,000,000 each for Kern River (Isabella Reservoir), Calif., and Kings River and Tulare Lake project, California.)	
Flood control, Mississippi River and tributaries	46,000,000
Emergency fund for flood control on tributaries of Mississippi River	500,000
Flood control, Sacramento River, Calif.	2,000,000
Power plant, Fort Peck Dam, Mont.	1,505,000
Miscellaneous civil works	12,000

Total, Corps of Engineers	335,229,250
U. S. Soldiers' Home	1,596,248

The Panama Canal:	
Maintenance and operation	12,749,000
Sanitation, quarantine, etc.	2,010,000
Civil government	2,424,000
Construction of additional facilities	2,618,000

Total, the Panama Canal	19,801,000
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Total, direct appropriations in bill as recommended to the Senate	359,602,498
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RIVERS AND HARBORS CONSTRUCTION

The Budget estimate for rivers and harbors improvement work (including construction and advance planning) totals \$52,815,000. The bill as passed by the House contains \$30,011,750 for rivers and harbors improvement work, of which \$27,776,250 was allowed by the House for construction (including \$2,579,500 for advance planning on such projects). The rivers and harbors construction funds allowed by the House (\$27,776,250) were earmarked by the House action for the following projects:

New York Harbor, N. Y.	\$1,510,000
New York and New Jersey Channels	3,634,000
Waterway on the coast of Virginia	65,000
Canaveral Harbor, Fla.	830,500
Mobile Harbor, Ala.	475,000
Apalachicola, Chattahoochee, and Flint Rivers, Ga. and Ala.	1,010,000
Pearl River, Miss. and La.	1,010,500
Gulf Intracoastal Waterway between Apalachee Bay, Fla., and the Mexican border (Galveston district)	2,030,000
Trinity River, Tex.	1,490,000

¹ This item contains \$1,040,000 for advance planning and \$450,000 for commencement of construction.

May.

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[PUBLIC LAW 329—79TH CONGRESS]

[CHAPTER 107—2D SESSION]

[H. R. 5458]

AN ACT

Making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes, namely:

LEGISLATIVE

SENATE

For an additional amount for clerical assistance to Senators (including chairmen of standing committees) at the rate of \$2,400 per annum, effective March 16, 1946, fiscal year 1946, \$67,200.

Notwithstanding the provisions of the Act of May 10, 1916, as amended by the Act of August 29, 1916, the Sergeant at Arms of the Senate is hereby authorized during the Seventy-ninth Congress to employ, whenever necessary, the services of Government employees for folding speeches and pamphlets at the prevailing rates provided by law.

HOUSE OF REPRESENTATIVES

For payment to the widow of Joe W. Ervin, late a Representative from the State of North Carolina, \$10,000.

For payment to the widow of J. Buell Snyder, late a Representative from the State of Pennsylvania, \$10,000.

Contested-election expenses: For payment to George A. Dondero, contestee, for expenses incurred in the contested-election case of Hicks versus Dondero, as audited and recommended by the Committee on Elections Numbered 3, \$1,000, to be disbursed by the Clerk of the House.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE FOR EMERGENCY MANAGEMENT

CIVILIAN PRODUCTION ADMINISTRATION

Salaries and expenses: For an additional amount, fiscal year 1946, for "Salaries and expenses", Civilian Production Administration, including the objects specified for the appropriation "Salaries and expenses, War Production Board", in the National War Agencies Appropriation Act, 1946, \$1,500,000, and the amount available for printing and binding fixed at \$346,000 by the First Supplemental Surplus Appropriation Rescission Act, 1946, is hereby increased to \$398,000.

OFFICE OF DEFENSE TRANSPORTATION

Salaries and expenses: For an additional amount, fiscal year 1946, for "Salaries and expenses", including the objects specified under this head in the National War Agencies Appropriation Act, 1946, \$159,000.

OFFICE OF PRICE ADMINISTRATION

Salaries and expenses: For an additional amount, fiscal year 1946, for "Salaries and expenses", including the objects specified under this head in the Second Deficiency Appropriation Act, 1946, \$1,600,000.

DEPARTMENT OF AGRICULTURE

RURAL ELECTRIFICATION ADMINISTRATION

Loans: For an additional amount, fiscal year 1946, for "Loans", Rural Electrification Administration, \$100,000,000, which sum shall be borrowed from the Reconstruction Finance Corporation in accordance with the provisions of section 3 (a) of the Rural Electrification Act of 1936, as amended.

SEC. 2. This Act may be cited as the "Urgent Deficiency Appropriation Act, 1946".

Approved March 22, 1946.

